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EC Agrees on a Single Currency

But Britain Has Right To Opt Out

By Tom Redburn
International Herald Tribune

MAASTRICHT, the Netherlands — Finance ministers of the European Community agreed Monday on a far-reaching plan to link their nation's economic fates by committing themselves to introduce a single currency no later than 1999.

Britain, however, would retain the right to decide later whether to join the future European currency union.

The EC finance ministers adopted a complex procedure designed to tie their own hands. Community leaders could decide by weighted majority vote to accept a single currency as early as 1997. But, if they failed then, a single currency would automatically be adopted in 1999 with the only question left being the determination of which countries would abandon control over their own money in favor of a common European currency.

"We haven't raised any objections to the procedures," a British official said Monday night. As long as its Parliament is free to vote later on whether to drop the British pound, London will not stand in the others' way, British government sources said.

The monetary plan, forged on the opening day of a summit meeting expected to last at least through Tuesday night, rests on whether EC leaders will be able to reach agreement on a comprehensive package establishing closer political ties as well.

The finance ministers' agreement meets French and Italian concerns that the EC accept a deadline for forging a common European currency unit, while preserving Germany's demand that no currency union be put in place before at least some countries met firm economic criteria.

"It means that in the year 2000, you will be able to pay for your newspaper in a money called the Ecu," said Roland Dumas, France's foreign minister.

The final stage of economic and monetary union would create a European central bank to manage a common monetary policy after a transition period beginning in 1994 designed to lay the groundwork for blending the various national currencies into a single currency.

"Maastricht is the beginning of a process of irreversibility," said Wim Kok, finance minister for the Netherlands, host of the 12-

See CURRENCY, Page 3

Roberto Pfeil/The Associated Press

Queen Beatrix of the Netherlands welcoming President François Mitterrand, foreground, as Chancellor Helmut Kohl and Jacques Delors, president of the EC Commission, shared a word.

Halfway Home in Maastricht

Objective of Unity on Political Issues Remains Elusive

By Joseph Fitchett
International Herald Tribune

MAASTRICHT, the Netherlands — European Community leaders, poised to seal accords of economic and political unity, struggled with last-minute revisions Monday of the two treaties that they hope will provide a historic climax to their summit meeting.

Officials were optimistic that the meeting will start governments toward coordinating their diplomacy and some major domestic policies, and create an embryonic European military force.

"We're halfway through in time," said Hans van den Broek, the Dutch foreign minister. Monday evening. "I hope we're halfway to an agreement," he said in the midst of a planned two-day summit meeting hosted by the Netherlands, which holds the rotating EC presidency.

Other officials were reluctant to discuss what final concessions were in the works to forge a package deal that strengthens EC political integration.

Unless the leaders can a reach such a bargain, which so far was proving difficult, Chancellor Helmut Kohl of Germany has said he would refuse to sign an agreement on economic and monetary union.

A German spokesman said that "the process is still on the rails," but declined to spell out minimal conditions that had to be met to satisfy Bonn's insistence on linkage between the two treaties.

Terms for an EC currency have been close to completion for weeks, and finance ministers reached agreement Monday on a plan that would fuse monetary systems no later than 1999.

But the political pact has proved more elusive. While EC countries' practical commercial ties have been steadily tightening

See EC, Page 3

Gorbachev Rejects Move To End Union as 'Illegal'

By Serge Schmemann
New York Times Service

MOSCOW — President Mikhail S. Gorbachev on Monday rejected the right of the leaders of Russia, Ukraine and Byelorussia to dissolve the Soviet Union, adding a new dimension to the bewildering struggle over the country's future.

"The fate of our multinational country cannot be decided by the will of three republican leaders," Mr. Gorbachev said in a statement read on evening television news. "This question can only be resolved through constitutional means with the participation of all sovereign states and taking into account the will of their peoples."

He said the proclamation of a new "commonwealth of independent states" by the three Slavic republics should be treated as only a proposal, to be discussed alongside his proposed new "union of sovereign states" by republic parliaments and by the Congress of Peoples' Deputies, the Soviet parliament.

Demonstrating that he did not intend to accept the decision of the three leaders and quietly vanish with his vestigial union from the political stage, Mr. Gorbachev declared that the Slavic troika's annulment of union laws was "illegal and dangerous," and the speed with which they proclaimed the new commonwealth "baffling."

Mr. Gorbachev's statement was issued at the end of a tumultuous day in which he and leaders of other republics, foreign diplomats and news organizations tried to sort out the meaning of the unexpected agreement by the Slavic leaders, announced Sunday after two days of talks in the Byelorussian city of Brest.

Mr. Gorbachev and the president of Kazakhstan, Nursultan A. Nazarbayev, questioned the Russian president, Boris N. Yeltsin, for more than an hour, then met with presidents of other republics.

It emerged during the day that the announcement Sunday was not anticipated by anyone outside the remote Byelorussian retreat where Mr. Yeltsin, President Leonid M. Kravchuk of the Ukraine and Stanislav Shushkevich, the leader of the Byelorussian parliament, agreed to declare the Soviet Union dead and to join in a new commonwealth that would be open to other republics.

Mr. Nazarbayev, the influential Kazakhstan leader who serves as unofficial spokesman for the Muslim republics of Central Asia, made no effort to conceal his irritation at not being consulted.

"Shaping interstate relations on the basis of national-ethnic principles is a vestige of the Middle Ages," he said.

Mr. Nazarbayev also declared his support for Mr. Gorbachev, saying that the Soviet leader had yet to exhaust his potential. "The country needs him," Mr. Nazarbayev said.

One of Mr. Yeltsin's aides said that they had tried to reach Mr. Nazarbayev on Sunday, but that there were only two telephones at the retreat and Mr. Nazarbayev could not be contacted. The aides said Mr. Gorbachev was informed by telephone only after the agreement was reached.

Mr. Yeltsin's lieutenants, as well as the Ukrainian and Byelorussian leaders, argued that there was no alternative to the replacement of the doomed union with a new commonwealth.

In interviews, they reiterated the basic argument of Sunday's agreement: that efforts to forge a new union had reached a dead end, and that only the new commonwealth could preserve the republics' independence and safeguard their links, borders and their mutual responsibility for the Soviet military.

News agencies reported earlier from Moscow:

Mr. Gorbachev said that he wanted to convene the Congress of People's Deputies, the Soviet legislature, to debate the commonwealth proclamation.

"The president thinks it is necessary to convene such a congress," Mr. Gorbachev said in the statement read on national television.

Mr. Gorbachev said he did not rule out the possibility of holding a referendum to determine the future shape of the Soviet Union.

Mr. Gorbachev's statement said that a new commonwealth could not be formed by just a few republics.

He said that the newly created commonwealth did have some "positive moments," but that it needed to be evaluated carefully.

Arriving at the Kremlin on Monday for talks

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Three republics find unity in distrust of the central government. Page 3.

The issue of Soviet nuclear arms poses a test for the European Community. Page 3.

As the Soviet Union Died, Gorbachev Didn't Count

By Celestine Bohlen
New York Times Service

MOSCOW — Ever since the August coup d'état, the Soviet Union has been dying a lingering death, its final agony stretched out over months of crisis and negotiation while it was kept alive largely by the frantic faith of one man, Mikhail S. Gorbachev, the Soviet president.

On Sunday, the union died — if future historians will accept as proof a death warrant signed by the patient itself, which is how the leaders of Russia, the Ukraine and Byelorussia intended their statement, signed in the Byelorussian border city of Brest, to be read.

NEWS ANALYSIS

The Brest statement does not reckon with Mr. Gorbachev; it simply ignores him, which only made his appearance on Sunday night on Soviet television all the more poignant as he once again pleaded, cajoled and banged his fists, making the case that without a union the country will fall apart.

But for some time now, Mr. Gorbachev's warnings have had a hollow ring, since for most people, the collapse he keeps warning about has already happened. This is a fact they can confirm with their daily lives, as they go to factories that have run out of materials, to office jobs where they have stopped getting salaries or to shops where there are no goods.

By sweeping the old structures out of the way, President Boris N. Yeltsin of Russia, President Leonid M. Kravchuk of the Ukraine, and the Byelorussian leader, Stanislav Shushkevich, have cleared the way for something new — assuming, of course, that the military or other hard-line forces mount no effort to restore the center.

What exactly the new shape of things will be was not totally clear from Sunday's statement, nor could it be, given the absence of some major players, most notably representatives of Kazakhstan and the Central Asian republics.

But the absence of Mr. Gorbachev seemed to make no difference one way or the other. Once the Houdini of Soviet politics, the man who could turn setbacks to his advantage, the master of the surprise move, the Soviet president had become a Johnny-one-note whose insistence on renovating old structures — the word *perestroika* means reconstruction — in the end got in the way of more radical but, in the view of others, more constructive approaches.

By bypassing him publicly, the leaders of the three republics only underscored their need to get on with business. The Soviet crisis had already swept away the center; the republics themselves could be next if action were not

See WHY, Page 3

1 Button or 3? Contradiction Over Missiles

By Fred Hiatt
Washington Post Service

MOSCOW — Leaders fighting for control of the former Soviet Union sought Monday to reassure the world that the nation's nuclear arsenal remains under reliable control, but their statements were marked by uncertainties and contradictions.

While Russian officials insisted that the nation's 27,000 nuclear weapons would remain under single, unified control, the Ukrainian president, Leonid M. Kravchuk, spoke of a "three-button system" under which three national leaders would have to approve launches simultaneously for the weapons to be fired.

Mikhail S. Gorbachev remained for the moment in direct control of the nation's 27,000 nuclear weapons, officials here agreed Monday. Most experts and officials also said they saw no immediate danger of unsanctioned launchings or of a division of the nuclear force.

Boris N. Yeltsin called President George Bush on Sunday to assure him that the

See NUKES, Page 2

Lean, and Ready to Stay Mean

Shrinking U.S. Military Hopes to Avoid Errors of Past

By Barton Gellman
Washington Post Service

FORT STEWART, Georgia — As America's armed services begin to shrink, they are haunted by the ghosts of a bloodied battalion.

The battalion, named for Lieutenant Colonel Charles B. Smith, was overrun in the first U.S. engagement of the Korean War. Remembered as a parable of unpreparedness, Task Force Smith was pressed into combat with just two-thirds of its authorized soldiers and six shells of anti-tank artillery. Its radios did not work. Its mortars had no sights. Its troops had never trained with live ammunition.

Task Force Smith, which lost 150 of 540 men and its effectiveness as a fighting unit, lives on in the army's officer corps the way the Alamo lives on in the minds of Texans. General Carl E. Vuono, then the army chief of staff, addressed survivors last year with what he called "a single impassioned plea: 'Never again.'" General Gordon R. Sullivan, General Vuono's successor, has made that practically a mantra. "No more Task Force Smiths!" he exhorts every new class of battalion commanders at Fort Leavenworth, Kansas.

Those slogans, which have their counterparts in every service, stand for a new way of thinking about how to shrink a fighting force. The Pentagon is reversing decades of precedent to preserve readiness and combat punch.

In previous periods of military contraction, the services favored across-the-board cuts that weakened every unit but eliminated none. Today the Pentagon is doing away with entire air squadrons, sea commands and army divisions. The benefit, according to top officers, is that the units left untouched will be fully capable of fighting and winning.

"It's not an abstract concept to many of us," said Major General Barry McCaffrey, commander of the 24th Infantry Division (Mechanized). "I've got four combat tours and I've been wounded three times and my brother-in-law was killed. When we're training out here at Fort Stewart, there's a reality that maybe this year we'll have to fight."

The 24th infantry was Task Force Smith's parent division, and it has arrived again at a historical crossroads. In World War II its performance against Japan earned the nickname "Victory Division," but the postwar demobilization left it undermanned and underequipped by 1950. Forty years later, when Iraqi forces drove into Kuwait, the 24th had rebuilt itself and was the readiest "heavy" division in the United States. Today its nearly 18,000 soldiers approach the reduction in force as vaunted performers in the Gulf war.

The army's plan is to keep it exactly as it is. The division is not losing a single soldier, vehicle or training dollar in the next five years — even as the army sheds nearly a quarter-million troops. In effect, the army is sacrificing six divisions so that the 24th and 11 other divisions can remain at full strength.

"We've either broken the force, crippled it or destroyed it every time we've done this in the last 70 or 80 years," General Colin L. Powell, chairman of the Joint Chiefs of Staff, said in his office on the

See ARMY, Page 2

Kiosk

Captive Cleric Calls for Swap

JERUSALEM (Reuters) — Sheikh Abdel Karim Obeid, a Lebanese Shiite cleric, has called for a prisoner swap that would involve himself and an Israeli airman, Ron Arad.

Sheikh Obeid, kidnapped by Israel in South Lebanon in 1989, appeared Monday night on Israeli Arabic television. Mr. Arad was a crew member of a plane shot down over Lebanon in 1986.

General News

A frenzy of violence has descended on Somalia's capital. Page 8.

Business/Finance

Germany may keep some of the Eastern firms it had planned to sell. Page 13.

Crossword Page 23.

Dow Close	The Dollar in New York	
2,871.65	DM	1.5715
Down 14.75	Pound	1.811
	Yen	128.28
	FF	5.364

Rafik Hakroum/Agence France-Presse

INTIFADA BANNER — A masked Arab tying the Islamic flag to a utility pole Monday to commemorate the fourth anniversary of the uprising, which is now a way of life. Page 4.

Stakes Rise in Hunt For Maxwell Money

Compiled by Our Staff From Dispatches

LONDON — The hunt for Robert Maxwell's missing millions intensified on Monday as a British court imposed a worldwide freeze on the personal assets of the publisher's son Kevin and the estimate of how much money was missing rose.

Accountants seeking funds thought to have vanished from Robert Maxwell's collapsed media empire before he died mysteriously at sea on Nov. 5 also persuaded the High Court to impound the passports of Kevin and his brother Ian. The brothers are appealing the court order.

The brothers have resigned from the boards of their father's main public companies, Maxwell Communication Corp. and Mirror Group Newspapers.

The Maxwell family controls 68 percent of Maxwell Communication, which owns the Macmillan Inc. publishing house and other U.S. businesses, and 51 percent of Mirror Group, which publishes the Daily Mirror and other British newspapers. Private companies own the weekly The European, and the New York Daily News.

Robert Maxwell siphoned almost $1.2 billion from his companies in a desperate attempt to prop up his crumbling media empire in the months before he died, an accountant who tracked his last steps said Monday. That is $200 million more than previous estimates of what had been taken from pension funds and other assets at companies controlled by the Maxwell family.

How was Maxwell allowed to do so much harm? Page 13.

About $540 million went to cover losses at Maxwell's private companies, including the Daily News, to act as collateral for bank loans, and to pay a debt, said Richard Stone, a corporate rescue specialist with the Coopers & Lybrand Deloitte accounting firm.

But $657 million still has not been accounted for and may have been used in an illegal scheme to bolster the stock price of Maxwell Communication Corp., he said.

The decline in Maxwell Communication's stock price threatened

See MAXWELL, Page 15

An American Soccer Fan's Notes: Glued to the Tube, Longingly Waiting for 1994

By George Vecsey
New York Times Service

NEW YORK — With a great deal of envy, I turned on the television set to watch a soccer game.

It was the best way to prepare for the World Cup draw, which would be held later in the day in New York. Watch soccer from Italy first. Then go to Madison Square Garden to eat my heart out because we Americans have no national league, we have no big-time soccer and we must wait three more years for the fleeting glory of the World Cup.

Misty afternoon in Turin. Through the graciousness of a New York channel, the greatest soccer league in the world was in my den.

There was Lothar Matthäus, kicking missiles for Internazionale of Milan. There was Roberto Baggio with his neat little ponytail, esthetically plunking a penalty kick for Juventus of Turin.

And down on his knees on the grassy pitch, in operatic pose, there was Toto Schillaci of Juventus, perpetual scowl, beseeching the referee, wondering why the touch had suddenly deserted him in the semifinals of the last World Cup. In the summer of 1990, the old city-states of Italy had united in love of the seemingly humble Sicilian, but now he plods onward for Juventus, lopped off the national team whenever it assembles.

For 90 minutes on Sunday, it was possible to be at the heart of world soccer, possible to dream that someday old Toto would come to New York for some yet-unformed team, that someday venerable Roger Milla of Cameroon might play for some team in Chicago, that we would lift up our lamp to the tired and the poor and the aged of soccer, to complement our home-grown players in a league we could call our own.

This is the sadness of the American soccer buff, to know that the Europeans have leagues and rivalries and histories that go way back, older than the Chicago Bears, older than the Boston Celtics, older than the New York Rangers, and all we have are a couple of earnest minor leagues, that abomination known as indoor soccer, and our memories of the Cosmos, Giorgio and Franz and Carlos Alberto and Hubert and Pelé himself.

Enough jealousy. It was time to get over to the Paramount Theater in the Garden, where they would place 141 nations in the draw for the 1994 World Cup, coming not soon enough to a stadium near you.

The World Cup is the most popular sports event in the world, more anticipated, more gripping, than the Olympic Summer Games.

The United States has been awarded the 1994 World Cup, not because we can play the sport but because the United States is the home of major corporations with money to spend. It brings soccer to the United States in 1994, therefore it is good.

Alan I. Rothenberg, the president of the U.S. Soccer Federation, said Sunday he was convinced that the United States would sell out the games in 1994, but he added candidly that if a national league was not in place by 1995, "then we will have failed."

While most Americans were surely watching our version of football, that willy-nilly game involving 44 helmeted players per side, more than 50 nations were watching the draw ceremony.

The host was Barbara Eden, known all over the world for reruns of "I Dream of Jeannie"

See KICK, Page 2

Blockade of Dubrovnik Ends, Easing Struggle for Thousands

Compiled by Our Staff From Dispatches

BELGRADE — The Yugoslav Navy lifted a two-month blockade of Dubrovnik's main port on Monday, opening the way for aid shipments to thousands of people trapped in the Croatian city.

Tanjug press agency said the first passenger ship sailed out of Gruz port soon after the blockade was lifted, under an agreement reached Saturday between the Serb-led federal armed forces and Croatian authorities.

Blockades of six other Adriatic ports ended last week.

Tanjug said a Yugoslav vessel was expected to enter Dubrovnik with humanitarian aid for the 50,000 men, women and children trapped there. The siege has left them with little water and no electricity.

Last Friday, the army and navy launched one of the heaviest attacks on Dubrovnik since fighting broke out in Croatia in June upon the republic's declaration of independence from Yugoslavia.

Leaders of the six Yugoslav republics resumed a European Community-sponsored peace conference in The Hague on Monday after a break of more than a month.

A diplomat said little of substance was expected to come out of the talks, which have officially been described as an informal stock-taking exercise.

Serbia, the only republic formally to have rejected the EC's plan to transform Yugoslavia into a loose free-trade association, again appeared to hold the key to progress at the negotiations, diplomats said.

A ruling on Saturday by the conference's arbitration commission that the federal state of Yugoslavia was legally "in the process of dissolution" puts new pressure on Serbia, which is fighting to preserve the federation.

The United Nations envoy, Cyrus R. Vance, left Yugoslavia on Monday with what he called a "substantial agreement" on how to deploy UN peacekeepers in Croatia.

However, the UN secretary-general, Javier Pérez de Cuéllar, said Monday in New York that the shelling over the weekend around Dubrovnik would prevent the deployment of UN peacekeepers.

Although he said that the cease-fire around the Adriatic port was "holding, more or less," he added, "It is not what I would call a total cease-fire, which is indispensable for us to send any peacekeeping forces."

In a meeting Sunday with the Serbian president, Slobodan Milosevic, Mr. Vance said no peacekeepers would be sent unless the cease-fire was observed.

Most of Croatia was reported quiet Monday, and EC monitors said preparations were under way for the federal army to leave barracks near Zagreb, Croatia's capital. Croatia agreed to halt a blockade of the barracks if the troops would leave. *(Reuters, AP)*

Radu Sigheti/Reuters

A former general, Ion Coman, leaving court Tuesday after receiving a 25-year sentence.

Romania Imprisons 8 for 1989 Killings

Reuters

BUCHAREST — A Romanian court imprisoned eight Communists and secret policemen Monday for 15 to 25 years for the massacre of anti-Communist demonstrators during the 1989 revolution, court sources said.

The charges were linked to the killing of 97 people and the wounding of hundreds others during the uprising in the west Romanian city of Timisoara in December 1989. Ten other defendants in the trial of 25 were found guilty of various charges but released after time already served. One of the 25 died in prison and six were acquitted.

The original charges of genocide were softened to aggravated murder and complicity in murder. The uprising led to the overthrow and execution of Nicolae Ceausescu and his wife, Elena.

The verdict and sentencing Monday ended a 22-month trial in which 500 witnesses gave evidence. The convicted defendants have 10 days to appeal the verdict and sentences.

Violent Crime Unnerves Dublin

Worry Is That Other Capitals' Problems Have Arrived

By James F. Clarity
New York Times Service

DUBLIN — A spate of violent crime has shaken Dublin's sense of security and its reputation as one of Europe's more peaceful capitals.

The crime rate here is hardly comparable with those of larger European or U.S. cities. There is not a proportionately large drug problem here, and no widespread mayhem in the streets, even in the tougher parts of the capital area, where about a third of the country's 3.5 million people live.

But to the Irish the problem is alarming, and the perception is growing that violent crime is markedly on the rise.

On Friday a gang of masked men with shotguns ran through rush-hour shoppers in the center of Dublin as they took about $18,000 from a security guard at a restaurant in fashionable St. Stephen's Green and about $5,700 at an antiques auction at Mansion House, which includes the residence of the lord mayor and is a short walk from Trinity College and Parliament.

Police officers and fire fighters in suburban public housing areas were stoned recently by mobs of young toughs. Youths also steal cars, joy-ride them up and down the streets amid cheering bystanders, then set them afire to finish the show — until recently, the kind of thing people here thought happened only in Britain and America.

Two months ago a gang of youths leaving a pub around midnight beat a man senseless on the city's main avenue, O'Connell Street. A German camper was mugged and killed last summer in Phoenix Park, a few steps from the residences of President Mary Robinson and the U.S. ambassador, Richard A. Moore.

The police, with 3,900 officers in the capital area, are often accused of playing down crime. The state police weekly television program usually starts with reports of a homicide or rape, but quickly moves into descriptions of stolen lawn mowers, family jewels and Hepplewhite chairs, asking the public to phone in clues.

The most recent police statistics, for 1990, show that the overall crime rate per 1,000 people was up 24.8 nationally and 47.6 in the Dublin area. There were 35,453 "offenses against property with violence" nationwide, an increase of 2 percent. A sharper increase was expected when statistics are compiled for 1991, since the effects of the recession began to accelerate this year.

Dublin's lord mayor, Sean Kenny, attributes the increase to the weakened economy. He said recently he feared that tourism, one of Ireland's major money earners, would be hurt by a perception that Dublin was becoming more dangerous.

Officials are hoping for an increase in tourists from the United States next year. U.S. tourism dropped sharply last year, when Americans were afraid of flying because of terrorist threats during the Gulf war.

The crime increase is largely in suburban areas, but there also is a rise reported by residents in working-class parts of north Dublin — near the district where "The Commitments" was filmed, a commuter train station was recently set afire by vandals — and in wealthy areas of the inner city.

Pentagon Seeks to Reduce 'Friendly Fire' Deaths

By Eric Schmitt
New York Times Service

WASHINGTON — Alarmed by the number of U.S. troops killed and wounded by American fire in the Gulf war, the military is overhauling its training procedures and building devices to try to prevent such accidental attacks.

In the Gulf war, 35 of 148 Americans killed in combat, or nearly 25 percent, died as a result of U.S. fire. Such "friendly fire" also wounded 72 Americans, or 15 percent of the total.

Allied fire accounted for less than 2 percent of American casualties in previous wars, but the brevity of the Gulf war and the low number of deaths make comparisons difficult.

The army, which had most of the casualties from friendly fire, is at the forefront of the changes in training and procedures.

For example, senior army officers say that training has been increased for Apache helicopter crews to help them distinguish U.S. tanks and armored vehicles from the enemy at night and in bad weather.

In addition, in drills for tank gunners in the Mojave Desert in California, they must watch under fire for "friendly" robotic tanks that pop out on training courses. And government contractors are rushing to build beacons that can be mounted on armored vehicles and that will use infrared beams and lasers to identify themselves to their own forces.

The changes, which the army began adopting at training centers this summer, are the most significant shifts so far in American military practices resulting from lessons learned in the Gulf. They also will eventually affect the Marine Corps and the air force.

Sophisticated combat weaponry has increased the range, precision and deadliness of U.S. firepower, thereby exposing forces to fewer enemy strikes. But military experts say the technology enabling personnel to distinguish between friend and foe in difficult combat conditions has lagged.

In the Gulf war, for example, American helicopter crews fired at Iraqi tanks five miles (eight kilometers) away, and U.S. tanks fired at targets one to two miles away. In both situations the distances were well beyond the range at which American gunners using current technology can discriminate between friendly and hostile vehicles that are near each other. Most of the Americans killed by their own forces were in armored vehicles hit by tank rounds.

The military used an array of devices and tactics in the war to try to prevent such casualties, including infrared beacons mounted on tanks for identification and the designation of "kill boxes," zones that were placed off-limits to American ground forces while allied aircraft attacked Iraqi targets there.

The Pentagon also rushed to the field hand-held navigational devices that use satellite signals to give ground forces their exact locations.

Even so, because much of the fast-paced fighting in the 100-hour ground war took place at night and in torrential rain or swirling sandstorms, distinguishing ally from enemy became a nightmarish exercise.

As a consequence, the army ordered sweeping changes in training to improve the realism of drills at night and in poor combat conditions. Troops also will get more practice with such equipment as thermal sights and night-vision goggles, and communications among ground forces advancing together will be improved.

KICK: *U.S. Fan Waits*

(Continued from page 1)

three losses in the 1990 World Cup in Italy, and Abedi Pelé of Ghana, one of the greatest players in the world, who had played for his club, Marseille, on Saturday and flown over.

Sticking his hand in a glass bowl, Abedi Pelé drew out the name of his own national team, Ghana, for an elimination round with seasoned Algeria and up-and-coming Uganda, making it possible for a star like Abedi Pelé to become the Ernie Banks of Africa, never reaching the championship round in his sport.

Asked about his country's draw, Abedi Pelé said, "*Difficile,*" which French or not was the same lament officials from 140 other nations seemed to be making.

All the Americans can do is wait. The United States does not even play in the elimination round because it is automatically seeded as host, and many of our best players have gone to Europe to make a living and improve their game.

Perhaps the World Cup will be merely a one-shot deal, a chance for Europeans and Japanese to take advantage of the exchange rate and stay in our good hotels and drive our good interstates and eat fast food and try to get from Seattle to Miami when their nation advances.

But we will have soccer. For five weeks we will have soccer. In the meantime, thank goodness for television. *Grazia, Italia.*

ARMY: *In the Face of Coming Cutbacks, U.S. Military Plans to Stay Mean as It Goes Lean*

(Continued from page 1)

outer rim of the Pentagon. "We won't let that happen again," he said, adding: "I don't care what size we take it down to. Whatever size it goes to has to be good."

Here in the swampy woods southwest of Savannah, the 24th Division offers a case study of how the army intends to maintain what General Sullivan calls its "war-fighting edge" — a qualitative advantage that lets it fight outnumbered and win.

In the Iraqi desert the 24th Division pulled off one of the swiftest armored movements in history — 8,359 combat vehicles traveled nearly 400 kilometers (240 miles) through defended territory in four days. At the Rumallah oil fields it fought one of the most intense battles of the Gulf War, destroying 105 Iraqi armored vehicles and more than 400 trucks.

To remain that way, it must insulate itself from the turbulence in the wider army. Thus far, about a year into the reduction, it has succeeded. Colonel John van Alstyne, its chief of staff, said the division will number over 100 percent of its authorized 17,900 soldiers for at least the next year. It has every major piece of hardware it is supposed to have — including 232 new heavy-armor versions of the M-1A1 tank and 270 M-2A2 Bradley Fighting Vehicles.

More remarkably, the division's operating budget of about $3 million a month, beefed up during the flush years of President Ronald Reagan's administration, is also essentially unchanged. Operations and maintenance historically have suffered in lean times as the armed services sought to protect weapons procurement and personnel.

The generous operating budget means the division can mount three significant training exercises a month. Three times this fiscal year, beginning this month, it will send a brigade to the National Training Center in California to fight a monthlong war against the Center's crack "OPFOR," or opposition force — an experience regarded by many soldiers as more rigorous than actual combat.

Many professional officers believe that kind of intense, realistic training is undervalued in a national militar debate that focuses more often on the number of dollars and weapons.

"Training is the glue that holds the army together," General Sullivan said last month, "and today we are training at full tempo."

'We've either broken the force, crippled it or destroyed it every time we've done this in the last 70 or 80 years.'

General Colin L. Powell, chairman of the Joint Chiefs of Staff

As recently as the post-Vietnam 1970s, which most officers above the rank of major recall as a time of "hollow forces," the services sought to spread scarcity around. Nearly every army brigade was short a battalion, every battalion short a company, every company short a platoon. None had a full complement of equipment, ammunition and spare parts.

General Carl E. Mundy Jr., commandant of the Marine Corps, tells of commanding the 2d Battalion, 4th Marines, as a 38-year-old lieutenant colonel in 1973. Never once, he said in an interview, did his mortar platoon have more than three of its eight mortars working. Even if they all had worked, there was no nearby range large enough to practice synchronizing their fire.

This time the cutbacks look different. The air force will lose 10 of its 36 fighter wings (each about 72 planes), but by doing so it will keep far more of its planes at combat readiness. Where parts and maintenance shortages kept nearly half the fighters grounded in 1978, today's "mission-capable rate" averages 88 percent. "Utilization rates," the average number of sorties that each plane flies a month, have also climbed from 12 to nearly 20. One squadron with today's readiness rates, officers said, can generate about as much combat power as two squadrons with the readiness of 1978.

The army's share of personnel cuts mandated by Defense Secretary Dick Cheney amounted to 215,000 fewer soldiers in 1995 than in 1990, a reduction of 29 percent. But the army is actually cutting more deeply than that in its main fighting structure, eliminating six of 18 active divisions, or 33 percent.

Army planners designed the cuts to retain their current proportion of "light" and "heavy" divisions, a distinction relating mainly to the number of tanks and armored vehicles.

NUKES: *Republics Give Assurances but Appear Divided on How Arms Will Be Controlled*

(Continued from page 1)

three Slavic republics that had declared an end to the Soviet Union, including Russia, would handle their nuclear forces responsibly, the Russian foreign minister, Andrei Kozyrev, said.

[A spokesman for Mr. Bush said that the president was prepared to help the political system that emerges from the Soviet Union's collapse, and that he had been assured that the creation of a commonwealth by the three republics posed no threat to the safety of Soviet nuclear arms, Reuters reported from Washington.

["Things are moving very fast and we're right in the middle of it," said the White House spokesman, Marlin Fitzwater. "But we are prepared obviously to work with whatever government emerges or whatever form of confederation emerges."

[He said Washington was satisfied that the latest changes did not put Soviet weapons at risk. "We have diplomatic contacts throughout these governments, and we continue to believe that the nuclear weapons in the Soviet Union are safe," he said.]

Mr. Yeltsin, the Russian president, said that the three republics, which contain most of the Soviet Union's nuclear arsenal and nearly three-quarters of its population, would ensure that the weapons were controlled from a single, certain point.

But Mr. Kravchuk, president of the Ukraine, which along with Byelorussia forms the Slavic triumvirate, said that the nuclear arsenal henceforth would be controlled from three places simultaneously.

"The black suitcase will be in three hands," Mr. Kravchuk said. "The buttons will be connected and will operate only if all three are pressed. This will strengthen the control and guarantee that they will not be used."

The president of Kazakhstan, the fourth republic in which Soviet warheads are based, said he had not been aware of the Slavic accord before it was signed. The president, Nursultan A. Nazarbayev, repeated his call for single, central control over the nuclear arsenal.

Mr. Nazarbayev appeared as potentially Mr. Gorbachev's most important supporter in the battle to keep his job as Soviet leader and his command over the Soviet nuclear arsenal and military. But Mr. Nazarbayev, too, raised questions about the chain of command when he suggested that Mr. Gorbachev did not have the right to dismiss the chief of the general staff, General Vladimir Lobov, as he had on Saturday.

"It was the State Council which appointed the chief of staff, so I don't understand why Gorbachev has replaced him without State Council approval," Mr. Nazarbayev said.

Mr. Yeltsin, Mr. Kravchuk and the Byelorussian leader, Stanislav Shushkevich, on Sunday declared the Soviet Union dead and its institutions invalid, forming in its stead the commonwealth.

With regard to nuclear weapons, their agreement, which they said would be open to Kazakhstan and other republics, set as a goal "total and complete disarmament under strict international control."

"Members of the commonwealth will preserve and support common military and strategic space under a common command, including common control over nuclear armaments, which will be regulated by special agreement," the three leaders agreed.

Mr. Yeltsin's foreign minister, Mr. Kozyrev, reiterated on Monday that the commonwealth would maintain central control over the nuclear arsenal, but he suggested that control should soon be passed from Mr. Gorbachev to the new structure.

"Today the president of the U.S.S.R. has control over nuclear weapons, and this is what prompts the need for continuity in the transfer of power," he said. "We want to have a civilized transfer of power to the new commonwealth, including power over the army and atomic weapons. We rule out any violent developments."

But Mr. Gorbachev on Monday declared the action of the three republics invalid, saying they did not have the right to dissolve the Soviet Union and, by implication, proclaiming his own right to remain as commander in chief.

Chrystia Freeland in Kiev and Margaret Shapiro in Moscow contributed to this story.

Moldavian Leader Wins Presidency

The Associated Press

KISHINEV, U.S.S.R. — The Moldavian nationalist leader Mircea Snegur won a landslide victory as the only candidate in the republic's first presidential vote, but he faced more ethnic trouble in the mixed Romanian and Slavic republic.

Mr. Snegur, a former Communist who led Moldavia's independence drive, captured 98.17 percent of the votes, the Central Election Committee said Monday. It said 82.9 percent of Moldavia's 2.4 million eligible voters cast ballots.

Two-thirds of Moldavians are ethnic Romanians, and many want to unite with Romania, which controlled most of Moldavia until the Soviet Union annexed it in World War II.

WORLD BRIEFS

Jakarta Vow: 'Wipe Out Separatists'

JAKARTA (UPI) — The chief of Indonesia's armed forces vowed Monday to "wipe out all separatist elements" after a government investigation is completed into the killings in East Timor last month.

In an interview with the news agency Antara, General Try Sutrisno accused pro-independence forces of stirring up trouble in East Timor. He suggested the unrest provoked government troops to fire on funeral marchers on Nov. 12 in the East Timor capital, Dili.

"Once the investigation mission is accomplished, we will wipe out all separatist elements who have tainted the government's dignity," General Sutrisno declared. Witnesses and independent reports estimated that 100 or more people were killed in the shooting. Government officials claim the toll is exaggerated.

Tokyo to Back Zionism in UN Vote

TOKYO (WP) — Moving to align itself closer to the United States and Israel on Middle East policies, Japan has decided to vote to rescind the controversial United Nations resolution equating zionism with racism, senior government officials said Monday.

Japan abstained on the issue when the resolution passed in 1975 and has since been neutral on efforts to reverse the UN stance. But now, with a rescission vote likely during the UN's current general session, the Japanese plan to side with Israel and its allies in opposing the resolution.

"It is our position now that the zionism-is-racism resolution is wrong," said a top Foreign Ministry official. "We have abstained before, but this time we will vote to rescind."

Iraq Will Resume Domestic Flights

BAGHDAD (Reuters) — Iraq said Monday that its national airline, Iraqi Airways, would resume domestic flights next month for the first time since the Gulf war.

The official Iraqi press agency, INA, said the government had received approval for the flights from the United Nations committee that oversees sanctions imposed on Iraq for its invasion of Kuwait in August 1990.

Airline officials said flights would resume on Jan. 15 between Baghdad and Basra, using planes already in Iraq. The government has appealed for the sanctions committee to allow the return of 33 of its aircraft that were flown out of the country before the Gulf war began in February.

Rights Group Assails Burmese Junta

MANILA (WP) — The governing Burmese military junta, having refused to let the opposition leader Daw Aung San Suu Kyi travel to Norway to accept the Nobel Peace Prize on Tuesday, is stepping up efforts to crush the country's nonviolent opposition, Amnesty International says.

In a report to be released Tuesday, the rights monitoring agency charges that the Burmese authorities have arrested hundreds of political foes and passed laws to disenfranchise candidates who won parliamentary elections last year. It identified about 200 Burmese who it said were arrested in the first seven months of this year. The junta denies holding political prisoners.

Daw Aung San Suu Kyi, 46, has been under house arrest since July 1989, and the junta continues to ignore international pleas for her release. Her husband, Michael Aris, a Briton who is a visiting professor at Harvard University, and their two sons are scheduled to accept the peace prize on her behalf.

9 Die as Storms Batter Middle East

NICOSIA (Reuters) — The fiercest winter storms in the Middle East in more than 50 years have brought death and destruction to the region, which had been suffering a severe drought.

Five people, including two soldiers, drowned in Israel, two homeless men froze to death in Turkey and two people died when torrential rainstorms swept Jordan. Dozens of boats were sunk, snow and floods cut roads and some desert areas received an entire year's average rainfall in six days.

On Cyprus, which had its heaviest 3-day rainfall total since 1936, rivers fed by rain and melted snow flowed for the first time in two years. In Istanbul, high winds forced the cancellation of airline flights, and more than 70 villages in western Turkey were cut off by heavy snow.

Correction

An article in the Dec. 7-8 issue incorrectly reported the price at auction of a Pissarro landscape. It sold for £1.87 million.

TRAVEL UPDATE

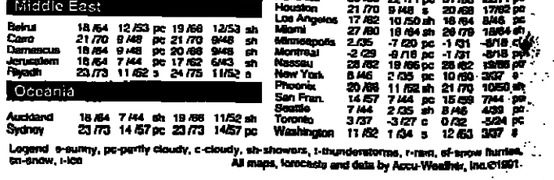
Lufthansa has canceled flights to Belgrade from Dec. 10 to 30 as part of Germany's decision to suspend air, sea and road traffic with Serbia and its ally, Montenegro, under EC sanctions voted against the Yugoslav republics deemed responsible for the war in Croatia. *(AFP)*

Greek gasoline station owners began an indefinite strike Monday to protest a law allowing oil companies to set up their own pumps. Thousands of cars created traffic jams at most Athens stations late Sunday as people tried to fill their tanks before the strike began. *(AP)*

Blizzards swept across Romania for the second day Monday, closing the country's main international and domestic airports and blocking highways, Romanian radio said. Heavy snow disrupted road and rail transport and paralyzed traffic in the capital. *(Reuters)*

The Weather

Forecast for Wednesday through Friday



North America
Most of North America will remain milder than usual into Friday. Showers in the Southwestern states at midweek will reach the Great Lakes region by Friday and the East Coast afterwards. Showers will end Wednesday in Southern California.

Europe
The weather across most of Western Europe will be dry and cool Wednesday through Friday. London and Paris will be sunny to partly cloudy, while Geneva and Munich will be mostly sunny. There is a chance for showers in Madrid.

Asia
Snow will dust Seoul Wednesday as bitter cold sweeps across Korea. Chilling winds will reach southward to Hong Kong and Taipei at midweek. A storm will hit Japan with wind and rain Wednesday. Afterwards, Tokyo will be blustery with clearing.

Europe

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Algarve	17/62	10/50 s	17/62	10/50 s
Amsterdam	2/35	-5/22 pc	2/35	-7/20 s
Ankara	0/32	-7/20 pc	3/37	-4/25 c
Athens	8/46	2/35 c	8/46	2/35 c
Barcelona	13/55	7/44 pc	13/55	7/44 pc
Belgrade	-3/27	-11/13 sf	-3/27	-11/12pc
Berlin	-4/25	-11/13 s	-4/25	-10/15s
Brussels	2/35	-6/22 s	2/35	-6/22 s
Budapest	-5/24	-12/11 c	-2/29	-9/16 pc
Copenhagen	-3/27	-9/16 s	-3/27	-9/16 s
Costa Del Sol	17/62	10/50 pc	17/62	10/50 s
Dublin	9/48	3/37 pc	9/48	3/37 c
Edinburgh	7/44	3/37 pc	7/44	3/37 c
Florence	6/43	-1/31 s	6/43	-1/31 s
Frankfurt	-2/29	-9/16 s	-1/31	-9/16 s
Geneva	1/34	-8/18 s	1/34	-8/18 s
Helsinki	-5/22	-10/15 pc	-7/20	-10/15s
Istanbul	2/35	-2/29 pc	2/35	-2/29 c
Las Palmas	21/70	12/53 pc	20/68	12/53 pc
Lisbon	18/64	9/48 pc	18/64	9/48 pc
London	8/46	3/37 pc	8/46	3/37 s
Madrid	13/55	2/35 pc	13/55	6/43 pc
Milan	4/39	-4/25 s	4/39	-4/25 s
Moscow	-12/11	-18/0 s	-10/15	-18/0 s
Munich	-3/27	-10/15 pc	-3/27	-10/15pc
Nice	9/48	1/34 s	9/48	3/26 pc
Oslo	-3/27	-9/16 pc	-3/27	-9/16 pc
Paris	4/39	-3/27 s	4/39	-3/27 s
Prague	-6/22	-11/13 s	-6/22	-11/13pc
Reykjavik	3/37	-1/31 sh	4/39	0/32 pc
Rome	7/44	-1/31 c	7/44	-1/31 c
St. Petersburg	-7/20	-12/11 s	-5/22	-12/11s
Stockholm	-5/22	-11/13 s	-5/22	-11/13s
Strasbourg	3/37	-4/25 s	3/37	-4/25 s
Tallinn	-6/22	-9/16 pc	-7/20	-9/16 s
Vienna	5/41	-2/29 pc	5/41	-2/29 s
Vienna	-5/24	-12/11 pc	-5/24	-12/11pc
Warsaw	-6/18	-14/7 pc	-5/24	-11/13pc
Zurich	-3/27	-9/16 s	-3/27	-9/16 s

Middle East

Beirut	18/64	12/53 pc	19/66	12/53 sh
Cairo	21/70	9/48 pc	21/70	9/48 sh
Damascus	18/64	9/48 pc	20/68	9/48 sh
Jerusalem	18/64	7/44 pc	17/62	6/43 sh
Riyadh	23/73	11/52 s	24/75	11/52 s

Oceania

Auckland	18/64	7/44 sh	19/66	11/52 sh
Sydney	23/73	14/57 pc	23/73	14/57 pc

Asia

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Bangkok	31/88	21/70 pc	31/88	21/70 pc
Beijing	3/37	-3/27 pc	6/43	-3/27 pc
Hong Kong	23/73	18/64 pc	23/73	18/64 pc
Manila	30/86	22/71 s	30/86	23/73 pc
New Delhi	23/73	12/53 pc	25/77	13/55 pc
Seoul	6/43	-4/25 sn	7/44	-4/25 pc
Shanghai	7/44	0/32 pc	6/43	0/32 pc
Singapore	28/82	23/73 sh	28/84	23/73 sh
Taipei	23/73	16/61 pc	22/71	16/61 pc
Tokyo	14/57	3/37 sh	13/55	3/35 pc

Africa

Algiers	18/61	8/46 pc	18/61	8/46 pc
Cape Town	26/79	13/55 pc	26/79	13/55 s
Casablanca	22/71	15/59 pc	22/71	14/57 pc
Harare	29/84	15/59 pc	29/84	15/59 pc
Lagos	27/80	22/71 pc	27/80	23/73 pc
Nairobi	26/79	13/55 pc	27/80	13/55 pc
Tunis	19/66	8/46 pc	18/64	8/46 pc

Latin America

Buenos Aires	22/71	13/55 pc	22/71	11/52 pc
Caracas	30/86	23/73 pc	30/86	23/73 pc
Lima	22/71	13/55 pc	22/71	13/55 pc
Mexico City	24/75	7/44 pc	24/75	7/44 pc
Rio de Janeiro	32/89	17/62 pc	31/88	17/62 pc
Santiago	24/75	10/50 pc	24/75	10/50 pc

North America

Anchorage	-2/28	-7/20 pc	-1/31	-8/18 pc
Atlanta	17/62	5/41 s	16/61	4/39 s
Boston	4/39	0/32 pc	6/43	1/34 pc
Chicago	6/43	-1/31 pc	3/37	-3/27 pc
Denver	12/53	-1/31 c	7/44	1/34 c
Detroit	6/43	-1/31 pc	3/37	-1/31 pc
Honolulu	30/86	22/71 pc	31/88	22/71 pc
Houston	21/70	9/48 s	23/73	17/62 pc
Los Angeles	17/62	10/50 sh	18/64	8/46 pc
Miami	27/80	18/64 sh	26/79	18/64 sh
Minneapolis	2/35	-7/20 pc	-1/31	-9/16 c
Montreal	-3/29	-9/16 pc	-1/31	-9/16 pc
Nassau	28/82	19/66 pc	28/82	19/66 pc
New York	8/46	2/35 pc	10/50	3/37 s
Phoenix	20/68	11/52 sh	21/70	10/50 sh
San Fran.	14/57	7/44 pc	15/59	7/44 pc
Seattle	7/44	2/35 sh	8/46	4/39 pc
Toronto	3/37	-3/27 c	0/32	-3/24 pc
Washington	11/52	1/34 s	12/53	3/37 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice

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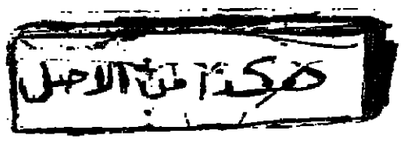


THE MAASTRICHT SUMMIT: The Soviet nuclear issue starkly illustrates the difficulties in trying to formulate a joint EC foreign policy.

Latest Test of EC: Soviet Arms Security

International Herald Tribune

MAASTRICHT, the Netherlands — European leaders, meeting Monday to put the finishing touches on treaties of political and economic union, were immediately confronted with a crisis over how to deal with nuclear weapons in the collapsing Soviet Union.

After contacts with the White House, Prime Minister John Major announced that he would hold a private meeting with President François Mitterrand on the sidelines of the summit meeting to discuss a Western response to the declaration Sunday night by Russia, the Ukraine and Byelorussia that they had established a "Commonwealth of Independent States" that dissolves the Soviet Union.

The declaration brought out sharp differences among European countries in their approach to major international threats. EC leaders' reactions starkly illustrated the difficulties to be surmounted in trying to formulate a blueprint for a joint foreign policy.

The private meeting between Britain and France, Europe's two nuclear powers, was a pointed reminder of Germany's subsidiary role in Western nuclear policy-making.

EC leaders decided to dispatch a fact-finding mission to the Ukraine this week, but France and Britain announced that they were sending their own envoys to the area.

Britain and France, a British official said, have agreed to work "in close contact with the Americans" on the problem.

These European trips are likely to be eclipsed by the concurrent visit of Secretary of State James A. Baker 3d to the Ukrain and Russia this weekend.

Efforts of Western governments to get a grip on developments in the dissolving Soviet system are being hampered by trans-Atlantic divergences: EC leaders registered dismay at what they felt was an unduly alarmist tone taken by Mr. Baker on Sunday. He said then that the collapse of the Soviet Union was like the civil war in Yugoslavia, but "with nuclear weapons thrown in."

But U.S. officials expressed their unhappiness with the desire of France and Britain to exclude Germany and pursue a high-profile coordination of policy with Washington, which Germans are likely to resent as a reminder of the four-power arrangements after World War II.

The Western goal is to determine who controls Soviet nuclear weapons and persuade them to dismantle the most dangerous ones and provide international guarantees about the remaining ones.

German participation will be essential economically — since aid is to be used as leverage — and politically in order to maximize Western pressure, U.S. officials said.

Despite U.S. irritation with any attempt to exclude Bonn, a French official phrased the mood in Paris and London bluntly: "Germans have no nuclear vocation."

Without excluding the idea of wider consultations that might include Germany, British and French spokesmen in Maastricht made it plain that their governments expected nonnuclear Germany to wait and see what its Western partners decided.

Readiness in London and Paris to invoke their special responsibilities on nuclear issues reflected the mood among officials of many EC countries that the Maastricht meeting marked the further emergence of German authority.

Eager to preserve their own agenda at the EC summit meeting, German leaders, despite their traditional sensitivity to nuclear change in Europe, were unusually subdued.

But a German official said that beneath the surface, "there's real concern about the danger." He added that there was "a strong chance" that Bonn wouldn't accept the idea of following a leadership group without German involvement.

Nuclear issues are at the heart of EC hopes for political and military unity: European leaders hope to ensure that Germans feel secure without nuclear weapons of their own.

Although Helmut Kohl showed no sign of feeling snubbed over the British-French initiative, German officials said that Foreign Minister Hans-Dietrich Genscher was seeking to put nuclear stability on former Soviet territory before the 35-nation Helsinki conference.

But the Bush administration, while seeking a formula to include Germany, prefers to take the lead itself and offer consultations to the allies, ideally in NATO, U.S. officials said.

President George Bush has promised to pursue Mr. Mitterrand's call for a meeting of the four nuclear powers in Europe — the United States, Britain, France and the Soviet Union.

But a French spokesman said: "Who is the fourth partner? That is the question." He was referring to the disappearance of Moscow's authority.

A three-power meeting of French, British and U.S. officials took place last week in Paris, but Washington is trying to confine that discussion to experts, without involving senior officials.

Western governments are still uncertain about the exact approach they should take.

France advocates applying the formula used to reach agreement on Soviet debt: the center plus the republics.

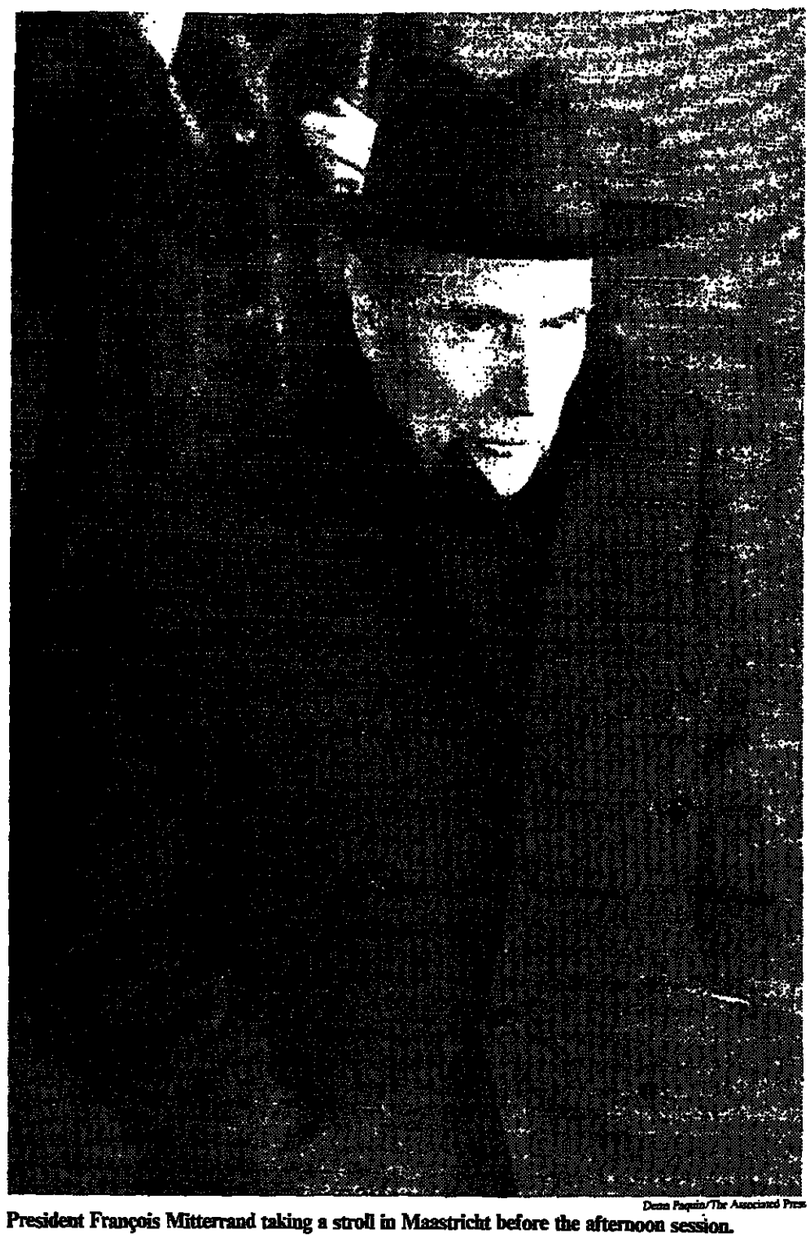
But Washington is more reluctant than European governments to take a step constituting diplomatic recognition of the Ukraine and other new governments until they have agreed to meet international demands.

Mr. Major echoed the Bush administration in saying that the West needed guarantees about the security of nuclear weapons, respect for international treaties on the size of conventional armies, protection of human rights and obligations concerning national debt contracted by Moscow.

Similar questions arise in connection with recognition of Croatia, which the Bonn government has promised sometime before Christmas.

For France and other EC governments that have balked at recognition, the new Soviet dimension offers a way to adjust their position.

— JOSEPH FITCHETT



Denis Paquin/The Associated Press

President François Mitterrand taking a stroll in Maastricht before the afternoon session.

Slavs Find Unity in Distrust

Republics Rebelled Against 7 Decades of Moscow Rule

By Fred Hiatt
Washington Post Service

MOSCOW — It was fitting and not by chance that the Soviet Union was pronounced dead not beneath the gold domes and red stars of Russia's imperial center, but in the unassuming republic of Byelorussia.

For months, and perhaps much longer, President Mikhail S. Gorbachev had underestimated the depth of distrust toward Moscow that was pervasive in the republics. For months, he insisted that the republics would come around, and many in the West believed him.

But in the Ukraine, as in the Baltics, Armenia, Georgia and elsewhere in the old Soviet Union, one imperative took hold: There might be trade agreements and military pacts and environmental cooperation, but there would no longer be a "central government" in Moscow ruling over the nations of this once vast empire.

That imperative, as the Ukraine and other republics had shown, applied as clearly to the Russian Republic's president, Boris N. Yeltsin, as to Mr. Gorbachev. Ukrainians, and to a lesser extent Byelorussians and others, were rebelling not only against seven decades of Moscow's commissar rule, but against centuries of Moscow's czarist rule as well.

The Ukrainian president, Leonid M. Kravchuk, captured the mood of the non-Russian republics shortly before 90 percent of the voters in his republic backed full sovereignty Dec. 1.

"I do not think that after independence I should travel to Boris Nikolaievich and bow down at his feet," Mr. Kravchuk said, referring to Mr. Yeltsin. "This would diminish the dignity of the Ukrainian people."

Mr. Yeltsin seemed to understand the sentiment and, after some blunders, went out of his way to reassure his neighbors that Russia, preoccupied with its own dismal economy, was not looking for new conquests. His

NEWS ANALYSIS

journey to Byelorussia last weekend for the Slavic summit meeting, where the agreement to form a "Commonwealth of Independent States" was signed, reflected that understanding.

Those around Mr. Gorbachev argued repeatedly that the non-Russian republics wanted and needed the Soviet leader to serve as a buffer against the power of Russia. But a visit to the Ukraine made evident their miscalculation: While many are in fact wary of possible Russian domination, they do not trust another Russian in Moscow to protect them from it.

And so it was that the Ukraine and Byelorussia agreed to many of the elements of union that Mr. Gorbachev proposed — with the exception of a role for Mr. Gorbachev himself. They would not accept a structure that implied in any way a subordination of the republics themselves.

"There is no place for a central organ elected by the people who would be above the states," Mr. Kravchuk said last week, rejecting Mr. Gorbachev's plea for retaining a union presidency. "I can imagine only a coordinating organ formed by the independent states."

Ukrainians acknowledged that Russia should play an important role in such a confederation, with many portraying Russia as a victim of the same Communist system that impoverished the Ukraine.

"We have spent a long time together in the same prison," said Alexander Lavrynovych, a Ukrainian election official.

Nevertheless, putting the new confederation in Moscow would amount to a temptation of history, many former subjects of Russia argued.

Non-Russians could find a neutral and nonthreatening base in Minsk, the capital of Byelorussia, which of all the republics has been slowest to awake to nationalism.

Ukrainians, like Byelorussians, "don't have this concept of a nation with a great mission," said George H. Yurchyshyn, deputy governor of the Ukrainian National Bank. "That's something the Russians have."

"And many would say that's why Russia keeps dominating Ukraine," he said.

But this time, the republics were determined not to let imperial history repeat itself.

"They're just not going to let themselves be pushed around," Mr. Yurchyshyn said.

EC: *Political Hurdles*

(Continued from page 1)

for years, governments have jealously protected sovereignty in foreign affairs and on social policies.

As they broached political cooperation on Monday, most leaders reiterated their national objections to detailed EC blueprints now in sensitive areas including defense, a code of work laws, a strengthened European Parliament or EC Commission bureaucracy in Brussels.

"This is a poker game where players don't show their final cards until the showdown," a commission official said.

The treaty's draft version, which can only be changed in details if it is to be ready for signature in Maastricht, conveys both the ambitious long-term flavor of EC unity and the flexible, pragmatic approach that has emerged as negotiators faced up to the Maastricht deadline.

Echoing the language of the U.S. Constitution, the EC treaty's preamble proclaims a new entity of Europeans to be known as "the union."

But the specifics — on a European military role, joint police powers, immigration, social policies — are close to the minimal concerns of most EC governments.

On foreign policy-issues, the draft treaty provides for regular joint action by EC governments only on such issues as nuclear nonproliferation and arms control, on which there is already a consensus.

Indicating that Britain now thought a political agreement was within reach, Prime Minister John Major was quoted telling other summit leaders that "it's best to roll up our sleeves and go to work."

Characterizing the thrust of the proposed treaty, officials frequently resorted to the word "evolutionary," meaning that it offers modest beginnings that can be expanded — and reshaped — in the light of experience.

The process of watering down more ambitious initial French and German proposals was led by Britain, whose worries gradually swayed other governments into resisting elaborate new institutions.

"We need to get enough clear progress on unity so that we don't have to spend weeks backpedaling and explaining that Maastricht wasn't a dead end," a German official said.

But he agreed with a French official's view of the emerging treaty: "We are going to get just enough done to keep Europe from falling apart."

Much of the political effort in the summit talks has gone into finding simplified formulations — "almost slogans," a commission official said — that can help convince European voters that EC leaders have had a significant success and convey clear images of what steps they accomplished.

Expectations about Maastricht have diminished in recent weeks as it became clearer that governments were hesitant about giving up political sovereignty. On the brink, fears surfaced in some countries about potential German influence in a stronger EC — and some German commentators predicted a backlash in Germany if Mr. Kohl signed away too much of his country's newly-won sovereignty.

Amid some signs that the ratification process planned for next year could produce restrictions by national parliaments if the treaty language is too detailed, EC leaders now welcome more flexibility into the treaties' final cast.

Preparing to counter objections that the treaty is anti-climactic, officials said Monday that the community's need for momentum outweighs considerations of taking longer to find tighter formulations.

All 12 governments have heavy domestic stakes in success at the summit meeting because they have promised national gains in a stronger community.

Beyond that, EC officials are convinced that the proposed treaties probably offer the community's last realistic chance to consolidate prosperous western Europe before the deteriorating situation in Eastern Europe has to be tackled.

CURRENCY: *EC Agrees on a Linkage by 1999*

(Continued from page 1)

nation meeting. "Everyone who says yes to Maastricht," he added, "also says yes to all the future stages, including a single currency."

The goal of the Maastricht meeting, perhaps the most important gathering of European leaders since they agreed in 1985 to launch the 1992 single market project, is to find common ground on competing plans to transform the world's largest trading bloc into a closer political and economic union.

With Britain assured that it will have the right to decide later whether to join its EC partners in a currency union, other political leaders devoted the opening session of the meeting to discussing alternative proposals aimed at guaranteeing that such a union would begin before the end of the century.

The agreement on economic and monetary union would call for the creation of a future European central bank to determine a common monetary policy for at least a handful of EC nations. It would also establish the European currency unit, known as the Ecu and now used for limited financial transactions, as the sole currency within those nations.

Under the intricate plan, EC leaders would meet in 1996 to decide which countries qualified to join a currency union. If at least seven nations met the test, the leaders could, by agreement of a strong majority, initiate a currency union for those prepared to go ahead.

If the decision to proceed was negative, a currency union would automatically be formed by Jan. 1, 1999, with no minimum number of participants. A fresh determination of eligibility would be made by the middle of 1998.

The summit meeting opened with France and Italy proposing that EC leaders set a deadline of 1999 for establishing the European central bank.

"We favor clauses that there should be a precise date for passage to the final stage," Prime Minister Giulio Andreotti of Italy said.

President François Mitterrand of France, along with some other leaders, expressed concern that a proposal agreed to by EC finance ministers last week could allow a "loophole" delaying creation of a European central bank well into the next century.

Germany, however, objected that no deadline should be set in advance because of the risk it might undermine price stability by forcing Europe to go ahead under unfavorable conditions. Bonn, which does not want to give up its Deutsche mark for a single currency more prone to inflation, instead offered a plan that would allow EC leaders to decide when to put a common central bank into operation.

> **'It means that in the year 2000, you will be able to pay for your newspaper in a money called the Ecu.'**
>
> **Roland Dumas, France's foreign minister**

Chancellor Helmut Kohl told his European partners that the Maastricht meeting should "begin an irreversible process," according to the German government spokesman, Dieter Vogel.

The compromise is designed to overcome Bonn's fears that other European leaders, in their eagerness to gain influence over German monetary policy, might be tempted to play down economic performance as a criteria for membership in the future currency union.

"The German government can live with it," Mr. Vogel said.

To join, a country would be required to bring its inflation rate generally in line with the best performers in Europe and hold its budget deficits within certain limits.

A draft agreed to by finance ministers last week would have allowed some European nations to adopt a single currency as early as 1997 only if all agreed that economic conditions in a majority of countries were favorable.

Britain, while expressing general reservations about the new plan, was largely absent from the debate. Prime Minister John Major, the most reluctant to accept far-reaching goals for a united Europe, focused on preserving London's right to decide later whether to scrap the British pound for the new European currency.

British leaders continued to fight to have a provision in the treaty allowing any nation to opt out of the currency union. The other 11 leaders, however, insisted that Mr. Major would have to accept being singled out by name in a separate protocol.

"The general opting-out clause should not be part of the text," Mr. Kok told a news conference after the opening session devoted to economic and monetary union.

Norman Lamont, Britain's chancellor of the exchequer, appeared ready to concede the point as long as other leaders did not press Britain to grant Brussels strong new powers to set Community-wide rules on labor relations and working conditions.

Charles Goldsmith contributed to this article.

At Least 10 Die as Fire Guts Chicago Dwelling

The Associated Press

CHICAGO — A fire possibly caused by an electrical fault swept through a three-story apartment building early Monday, killing at least 10 people and critically injuring two others, the authorities said.

The blaze heavily damaged the second floor, where it broke out, and then traveled to the top floor of the building, where all the victims were, police and fire officials said.

Standards For the Ecu To Be Strict

By Charles Goldsmith
International Herald Tribune

MAASTRICHT, the Netherlands — The EC summit meeting is setting strict eligibility conditions for a single currency, but the determination will not be a mechanistic one.

"We're not just going to be governed by computer," said Finance Minister Wim Kok of the Netherlands, which holds the rotating EC presidency.

The treaty on EC monetary union contains detailed rules on budget deficits, national debt, inflation and currency stability, but it emphasizes that the assessments must be made in a broad political context that also requires other factors to be considered.

For example, the treaty says that a country's deficit should not exceed 3 percent of its gross national product, but the determination must be made after an "assessment whether an excessive deficit exists." GNP is the value of a country's total output of goods and services.

Italy insisted on such language because it contends that its huge public deficit must be evaluated alongside its extensive public investment, and not be viewed in an isolated context. There is an overwhelming EC consensus to include Italy, a member of the Group of Seven leading industrialized nations, in the initial nucleus of countries adopting a single currency.

The treaty also says that a country's public debt should be no more than 60 percent of GNP, that inflation should not exceed that of the three best-performing member states for the prior year by more than 1.5 percentage points, and that interest rates should not exceed the three best-performing countries' in the previous year by more than 2 points.

Under the plan, the EC Commission and the fledgling European Monetary Institute would report to EC leaders on which countries would be eligible for a currency union, and the leaders would decide which nations qualified on the basis of a weighted majority vote.

"The convergence criteria are very well-balanced," Mr. Kok said.

Peter de Jong/The Associated Press

Chancellor of the Exchequer Norman Lamont and Mr. Major as they prepared for talks on Monday.

GORBACHEV: *He Rejects Move*

(Continued from page 1)

with Mr. Gorbachev and Mr. Nazarbayev on the commonwealth plan, Mr. Yeltsin said: "For two days I was in a good mood. Now it's not that good."

Mr. Gorbachev later met senior officials, including a lawyer and an expert on state law, suggesting he was looking for legal grounds to hold onto his post.

A presidential spokesman said Mr. Gorbachev did not intend to step down.

"Rumors that Gorbachev intends to resign from the post of Soviet president do not at all correspond to reality," said the spokesman, Alexander Likhotal.

Tass quoted Levon Ter-Petrossian, leader of Armenia, as saying the republic supported the Slavic initiative and was seriously studying the question of joining the commonwealth.

Mr. Nazarbayev, who attended the Kremlin meeting with Mr. Yeltsin and Mr. Gorbachev, said the talks had been less than smooth.

"I think Gorbachev was upset," he said.

In Moscow, a group of Soviet legislators began to collect signatures to force an emergency session of the Congress of Peoples' Deputies in an attempt to halt the momentum behind the commonwealth.

The legislators said the congress should take urgent measures to restore constitutional order "and work out radical and political solutions to prevent chaos, anarchy," and head off "the threat of civil war."

Mr. Kravchuk said Monday that Mr. Gorbachev would find it hard to block the commonwealth plan.

Mr. Gorbachev's chief spokesman, Andrei Grachov, emerged from the Kremlin talks to suggest the leaders had discussed a possible post of president in the new commonwealth. *(Reuters, AP)*

WHY: *Odd Man Out*

(Continued from page 1)

taken quickly. It may be that when all the details are worked out, the commonwealth conceived in Brest will not look all that different from Mr. Gorbachev's proposed confederated union.

Although the other Muslim republics have declared independence, they have mainly supported Mr. Gorbachev's efforts to save the union, as they believe their economic survival depends on it.

Russia, for its part, was clearly uneasy about entering any democratic union in which the balance of votes would tilt in favor of the Muslim republics — a political concern with deep historical and cultural roots. This reluctance, while never explicitly stated, is the main reason Mr. Yeltsin has worked so hard at coming up with an arrangement that would keep the Ukraine in the fold.

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Israel Hints At Dialogue Only With Palestinians

Compiled by Our Staff From Dispatches

JERUSALEM — Prime Minister Yitzhak Shamir said Monday that Israel may negotiate some issues directly with Palestinians in the next round of Middle East peace talks but opposed any move to split the Jordanian-Palestinian delegation.

"There has to be a dialogue on it," he said when asked whether there was a possibility that the Israelis might negotiate with the Palestinians outside the framework of the joint delegation. "They have to submit grounds. Maybe they will persuade us."

In the past, Mr. Shamir has insisted on the joint delegation in order to avoid granting Palestinians the status of an independent entity.

His government says there is no possibility of carving out a Palestinian state from Israeli-occupied lands.

The prime minister, speaking to reporters after addressing the foreign affairs and defense committee of the Knesset, or legislature, indicated that any direct Israeli-Palestinian negotiations might come at the subcommittee level.

"At the previous meeting in Madrid," Mr. Shamir said, "it was stated there would be subcommittees in the negotiations, so we have to discuss their composition."

But he reiterated his opposition to an overall split of the Jordanian-Palestinian negotiations, saying it could seriously harm the peace process.

"It could endanger the talks," he said.

"I don't think it will happen. There can be no disagreements here. There is a formal agreement between Israel and the United States."

He said proposed self-rule for the Palestinians under Israeli occupation would not mean Arab control over Jewish settlements in the occupied West Bank and Gaza Strip.

"The Jewish settlements will not be subject to any non-Israeli authority, nor will they be dependent on such an authority for anything," he said.

Israel opposes any territorial compromise on the territories captured during the 1967 war, which include East Jerusalem, the West Bank, the Gaza Strip and the Golan Heights.

Barring unforeseen hitches, three delegations of Israelis and Arabs will face each other across rectangular tables at the State Department on Tuesday, six days after the United States opened up the negotiating facilities.

The Arab delegations were here, but Israel's negotiators arrived only on Sunday after saying that they needed more preparation time.

In response to Israel's insistence on three separate sets of talks — Israeli-Syrian, Israeli-Lebanese and Israeli-Jordanian-Palestinian — each delegation will enter through a different entrance.

The talks will be held on three different floors, said officials from both sides. *(Reuters, AP)*

Zambia Leader in Zimbabwe

Reuters

HARARE, Zimbabwe — The new Zambian president, Frederick Chiluba, arrived in Zimbabwe on Monday for talks with President Robert Mugabe on the second leg of a tour of southern African states. Mr. Chiluba visited Namibia last week.

As Intifada Settles Into a Way of Life, Arabs Look for Way to Revive It

By Clyde Haberman
New York Times Service

JENIN, Israeli-Occupied West Bank — Like clockwork, shutters rattled down on the shops at 1 P.M., as they do just about every day along Jenin's gray streets.

Palestinian youths threw stones at patrolling Israeli soldiers, as they do just about every day, and soldiers chased the youngsters down alleyways, as they do just about every day.

Sometimes, the pattern snaps.

There was an unusual event on Sunday morning, for instance. Dozens of university students tried to march through this town of 30,000 on the southern edge of the Jezreel Valley, only to be dispersed by tear gas. It was a bit of a break from normal, residents said. But then the crowd melted and the air cleared. In the end, it was the same as just about every day.

"The *intifada* has become a way of living for people," the owner of a food shop said. "Daily life revolves around the intifada," as the uprising is known in Arabic.

Even in Jenin, where anti-Israeli sentiments burn fierce, the Palestinian uprising ended its fourth full year Sunday on a low key — a familiar face that no longer causes heads to turn the way it once did.

Its leaders, aware that it is past the point of being able to propel thousands of protesters into the streets, acknowledge that they are looking to reshape it in the hope of reviving its mass appeal.

Faisal Husseini, the Palestinian leader in East Jerusalem, said that he would like the youngsters' endless, and pointless, stone-throwing to stop, because, he said, it scares older Palestinians off the streets. It is also time, Mr. Husseini added, to find an alternative to the rigid regimen of commercial strikes that forces stores to shut from 1 P.M. each day, and throughout the day several times a month.

That does not begin to deal with the problem of instant strikes called on the spur of the moment by one radical group or another, a phenomenon that has become routine since the Middle East peace talks got under way in Madrid.

"These sudden strikes are not acceptable, and the people have said so," said Samir Huleileh, an economist in the West Bank town of Ramallah. "It's not so much that people are tired of the strikes, although many are. But they should be regulated." One or two a month would be enough to flex muscles adequately, he argued; it is not necessary to have the repeated onslaughts that closed shops in Jenin for eight days last month.

Increasingly, the uprising resembles a dull toothache, throbbing and causing frequent pain, but not serious enough to change the course of one's life.

Stones are thrown, tires are burned, gasoline bombs are hurled at patrolling soldiers. Dutifully, Israeli and Palestinian newspapers record this shooting death in Nablus or that punitive house demolition in Gaza by the Israeli Army.

Increasingly, the uprising resembles a dull toothache, serious enough to change the course of one's life.

But the number of such incidents is about half what it was a year ago, before the start of the Gulf war and the Palestinians' disastrous support of President Saddam Hussein of Iraq. And even though most Israelis are still so afraid of possible violence that they never set foot in the territories, the committed settlers among them have not been deterred. Since the uprising began on Dec. 9, 1987, their population in the West Bank and Gaza Strip has about doubled.

Still, the revolt remains a force to be reckoned with. Last week a Jewish settler was shot and killed while driving through El Birch, an Arab town next to Ramallah, 10 kilometers (6 miles) north of Jerusalem. Both towns have been under a curfew ever since.

B'Tselem, an Israeli human-rights group, condemned the curfew as unfair mass punishment. It charged in a report that the army continued to violate Palestinian rights with methods such as curfews, house-demolitions and imprisonment without trial, although it also said that the overall number of cases had declined since 1989.

The army quickly issued a rebuttal, defending practices such as curfews as "used only in exceptional cases, when it is absolutely necessary, and there is no other way to insure the public peace and security needs."

As evidence that the uprising does not die, the casualty count continues to rise relentlessly. B'Tselem, whose figures tend to be reliable, has recorded more than 1,400 deaths to date.

But the source of danger has shifted, raising laments among Palestinians themselves that their uprising is cannibalizing itself.

Over the last two years, the Israelis have imposed stricter rules of engagement on their soldiers. Now, a Palestinian stands a much greater chance of being killed by a fellow Arab than by an Israeli bullet. In November, 13 people were reported killed in the occupied territories, and only 4 of them died at the hands of soldiers.

B'Tselem charges that soldiers disguised as Arabs are increasingly responsible for killing Palestinians, although the army denies that it has organized "hit squads" to murder captured suspects. For their part, Palestinians almost always describe internecine slayings as executions of collaborators with Israeli occupiers. But Mr. Husseini acknowledged that the word "collaborator" was used sometimes to cover up murder by feuding families and criminal bands.

Major General Danny Yatom, who commands troops in central Israel, including the West Bank, cautioned that even while the intifada has faded, there has been a leap in Palestinian use of firearms, against Israeli civilians as well as soldiers. If the peace process stumbles, or is seen by Palestinians as producing few gains, the uprising could easily be reignited, he warned.

Senators Would Halt Aid to Jordan Army

By Eric Schmitt
New York Times Service

WASHINGTON — The Senate Foreign Relations Committee is seeking to block $45 million in U.S. military assistance to Jordan for suspected violations of the international trade embargo against Iraq.

Most of the 3,000 tons of goods flowing into Iraq daily by truck from Jordan are food, medical supplies and other humanitarian aid permitted under the United Nations guidelines, Bush administration officials say. These totals are just a fraction of daily consumption by the Iraqi population of 18 million before the Gulf war.

But Baghdad is also importing from Jordan communications equipment and spare parts for oil refineries, water treatment plants and electrical power generators, administration officials said. Reporters traveling into the country along the only open highway saw goods prohibited under the embargo being trucked into Iraq, including newsprint, tractors, tires and crates of machinery that could not be identified.

Iraq is using cash reserves, some secret foreign loans and newly unfrozen assets in foreign banks to pay for the goods, which so far include very little, if any, military equipment, administration officials said.

The illicit imports represent "relatively insignificant leakage" that does not seriously weaken the embargo's bite, administration officials said. Without oil revenue, Iraq is unable to support large-scale smuggling and the administration believes that preventing Baghdad from selling oil for more than a year has had a devastating effect on the country's economy.

Senior U.S. officials concede they are reluctant to pressure King Hussein of Jordan, who is struggling to manage his country's feeble economy, particularly as the United States tries to help broker a Middle East peace agreement.

"It's a hard balancing act to see how much pressure we can bring to bear without hurting him politically," a senior Defense Department official said.

To punish Amman for its tilt toward Iraq in the Gulf war, Congress earlier this year blocked an administration request for aid to Jordan. The legislation had a provision that allowed President George Bush to restore the aid if he determined that Amman was helping the Middle East peace process. Mr. Bush invoked the clause in July for economic aid and last month for military aid, prompting the latest congressional protest.

A spokesman for the Jordanian Embassy in Washington, Timoor Daghistani, said that Amman was "abiding by the letter of the sanctions." He said that Jordan had built a 2-meter-high (6½-foot-high) dirt barrier along its eastern border with Iraq to discourage smuggling and had increased Jordanian Army desert patrols.

Administration and congressional officials said that some smuggling was also taking place along Iraq's borders with Iran, Turkey and Syria, but in very small quantities.

Several members of the Senate Foreign Relations Committee, which oversees American foreign assistance, have raised concerns that military aid to Jordan should be suspended until Washington is satisfied that it is not breaking the embargo.

"There are substantial grounds to question whether Jordan is and will comply fully with the UN sanctions," Senator Claiborne Pell, a Rhode Island Democrat and chairman of the Foreign Relations Committee, said in a letter sent last month to Secretary of State James A. Baker 3d.

"I believe Jordan should be in full compliance with all international sanctions against Iraq before we resume military assistance," Mr. Pell wrote.

Mr. Bush released about $35 million in economic assistance in July, and in October sent a letter to Congress saying he was pleased with Jordan's cooperation in the peace process and would move to release $20 million in military aid and $2 million for training. In addition, the administration has proposed sending $57 million in aid for the fiscal year that began Oct. 1, including $25 million for military assistance.

In his letter, Mr. Pell raised questions that Jordan may be serving as a conduit for exporting Iraqi sulfur, refined oil products, trucks and earth-moving equipment. Iraq may also be importing steel and communications equipment from Jordan, the letter said.

Iraq cannot sell its main export, oil, on the world market except for about 55,000 barrels a day to Jordan, which the UN tacitly approves to offset Iraq's prewar debt to Amman, administration officials say.

A State Department official said that Jordan stopped exporting Iraqi sulfur and other goods after Washington protested.

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Jose Duran/Agence France-Presse

Imelda R. Marcos at her arraignment Monday in Quezon City. She faces seven charges of income-tax evasion.

From Marcos, Defiant 'Not Guilty' Pleas

Compiled by Our Staff From Dispatches

MANILA — Brimming with confidence, Imelda R. Marcos pleaded not guilty Monday to tax evasion, saying government prosecutors were "wasting their time."

With a shake of her head, she responded "not guilty" to seven tax evasion charges read out by a clerk in the courthouse packed with reporters and supporters of her and her husband, former President Ferdinand E. Marcos, who died in exile in 1989.

Asked after the 30-minute arraignment whether she was afraid of going to prison, Mrs. Marcos, 62, said, "There is no place in the Philippines that will be jail for me."

"I am not afraid," she said. "I believe in divine justice."

Mrs. Marcos is being tried before Judge Tomas Tadeo along with her only son, Ferdinand Jr., who is charged with two counts of tax evasion. Ferdinand Marcos Jr. also pleaded not guilty.

Mrs. Marcos is charged with failing to pay income and estate taxes of 5.7 billion pesos ($205 million), and her son with evading taxes of 17,004 pesos.

The chief prosecutor, Aurelio Trampe, said he would ask for the maximum five years in prison for each of the seven charges against Mrs. Marcos.

Judge Tadeo set the next hearing for Dec. 16, but Mrs. Marcos's attorney said she would waive her right to attend. The judge said he hoped to complete the trial within 90 days.

Mrs. Marcos could face a overall sentence of more than 400 years if she was convicted on all 80 criminal and civil counts filed against her by President Corazon C. Aquino's government.

Dressed in white with a red and blue scarf and clutching a rosary, she was mobbed by dozens of supporters outside the courthouse in the Manila suburb of Quezon City.

"Imelda! Imelda!" they chanted, and occasionally "Imelda for President!" as placards proclaimed, "Imelda, Woman of Dignity, Not Guilty."

She returned to the Philippines on Nov. 4 after nearly six years' exile in the United States.

She and her husband were overthrown in a popular revolt in 1986, accused of stealing billions of dollars from the heavily indebted country they ruled for 20 years.

A New York jury acquitted Mrs. Marcos in July last year of having helped her husband buy New York property and artwork with more than $200 million taken from the country's treasury. *(Reuters, AP)*

Report Ties Miyazawa Ally to Payments

Compiled by Our Staff From Dispatches

TOKYO — Fumio Abe, a former cabinet minister and an ally of Prime Minister Kiichi Miyazawa, received 100 million yen from a company in potential violation of the law, a news report said Monday.

Mr. Abe, now secretary-general of the faction of the Liberal Democratic Party led by the prime minister, has acknowledged that the money was from Kyowa Co., a steel frame maker in Tokyo, the Mainichi Shimbun said. The amount is equivalent to $780,000.

The newspaper said he might have violated the tax and political fund control laws by not reporting the income to authorities.

Mr. Abe, elected to the House of Representatives from Hokkaido in northern Japan, told the daily that he did not provide any favors for Kyowa, which was developing resort facilities in Hokkaido in 1989 and 1990, it said.

Kyowa declared bankruptcy in November last year with 200 billion yen in debts.

Mr. Abe, who was a cabinet minister and director-general of the Hokkaido and Okinawa Development Agency from August 1989 to February 1990, had close relations with Kyowa starting in 1989, the Mainichi Shimbun said.

In parliament on Monday, Prime Minister Miyazawa fended off attacks over his own alleged involvement in an earlier scandal.

Opposition leaders questioned Mr. Miyazawa on his or his office's links to Recruit Co., an information and publishing conglomerate that courted leading politicians and businessmen with offers of cheap shares in return for favors.

Mr. Miyazawa, finance minister and deputy prime minister at the time, resigned in December 1988 at the height of the scandal without explaining his role in detail.

According to Japanese media reports, Mr. Miyazawa's secretary bought 10,000 shares of Recruit's real estate subsidiary in September 1986 for 30 million yen. Opposition leaders allege that Mr. Miyazawa's office made a profit of about 20 million yen after selling the shares.

The Socialist Party secretary, Sadao Yamahana, attacked Mr. Miyazawa at a meeting of the lower house budget committee. "It is now clear that the prime minister or at least Miyazawa's office was involved in the transactions," Mr. Yamahana said.

Mr. Miyazawa has repeatedly denied such allegations and said the transactions were entered into "privately" by his former secretary, Tsuneo Hattori. *(AFP, Reuters)*

Another Round for Vietnamese

Hong Kong Will Force 28 More Refugees to Go Home

Compiled by Our Staff From Dispatches

HONG KONG — The British colonial government is ready to send home a new group of Vietnamese refugees in the second forcible repatriation in a month, the government said Monday.

The group of 28 Vietnamese who are to be repatriated includes 13 who had taken cash from the United Nations High Commissioner for Refugees to return home once before, but then returned to the territory, a government spokesman said.

Accompanying these "double-backers" will be three family members and 12 Vietnamese who arrived here on Oct. 30, a day after the signing of a repatriation agreement between Britain and Vietnam. The 12 failed to qualify for refugee status. They were judged to have fled Vietnam for economic reasons.

Colonial security forces plan to move the 28 Vietnamese from an island detention center to Hong Kong's international airport. They will be flown to Hanoi on Tuesday, the spokesman said.

In all, 12 men, 6 women, 7 boys and 3 girls will be sent home, said C.K. Yeung, a spokesman for the Hong Kong Security Branch.

More than 60,000 Vietnamese refugees live in Hong Kong's camps. Under the terms of the agreement between Britain and Vietnam, nearly all them eventually will be deported.

To gain formal refugee status, a fugitive from Vietnam must prove to the British authorities that he has a well-founded fear of persecution should he return home. Hanoi has promised the British that it will not punish the returning Vietnamese.

The new operation follows the forcible repatriation of 59 Vietnamese on Nov. 9. During that maneuver, Royal Hong Kong police carried protesting Vietnamese onto a Hercules C-130 transport that flew them to Hanoi. Several men and women ripped off their clothes to express their opposition.

Western diplomats said they expect the Vietnamese to resist again on Tuesday.

The United States, which previously opposed the compulsory deportation of Vietnamese, appears to have given Britain its tacit approval for the new repatriations.

Diplomats said they believe the U.S. government's recent attempts to force thousands of Haitian boat people home to Haiti have weakened Washington's case with Britain. *(AP, AFP)*

Do Felled Trees Cause Floods? Indian Bucks Tide of Wisdom

By Sanjoy Hazarika
New York Times Service

NEW DELHI — An environmentalist has touched off a furious debate by challenging the conventional view that deforestation in the Himalayan foothills is a primary cause of devastating seasonal floods along rivers in South Asia.

The scientist, Anil Aggarwal, said in a report that poor economic and agricultural planning and practices in the floodplains play key roles in the annual disasters that kill thousands of people every year and destroy hundreds of millions of dollars in property.

"There is no evidence to believe that ecological solutions like afforestation will control floods any more than engineering solutions like dams and embankments have been able to," said Mr. Aggarwal, director of the New Delhi-based Center for Science and Environment, one of India's leading environmental organizations.

Attacking the traditional view that deforestation is the critical factor in downstream flooding, Mr. Aggarwal said that the valleys of the Indus, Brahmaputra and Ganges rivers have historically been prone to flooding.

"The Himalayan Mountains, being the youngest in the world, lashed by intense rainstorms and highly seismic, give rise to extremely flashy rivers which come down laden with enormous quantities of silt," he said in the report.

He admitted in the study, which was issued last month, that deforestation has increased the silt load of the three great rivers, which originate in the Himalayas. But he added that the increases were not significant enough to be considered the primary cause of the annual disasters.

> **'There is no evidence to believe that ecological solutions will control floods any more than engineering solutions.'**
>
> **Anil Aggarwal, Center for Science and Environment director**

The study said tributaries of the Brahmaputra that flowed through the relatively well-forested slopes in Bhutan and Arunachal Pradesh state in India's northeast were responsible for more flood and silt havoc downstream than other tributaries that come down denuded slopes in the region.

Mr. Aggarwal also said that man-made interventions on the floodplains, including channeling, the construction of levees and development in wetlands, had aggravated the problem by disrupting natural drainage.

Other environmentalists have reacted strongly against Mr. Aggarwal's assertions, accusing him of shallow analysis and poor judgment.

"He has become a trusted voice for the environment movement, but now the report and its conclusions are misleading," said Bittoo Sehgal, the editor of Sanctuary, an environmental magazine. "They mislead opinion makers and they play into the hands of those who have been bashing the environmentalists for a long time."

In a recent telephone interview from Bombay, Mr. Sehgal said that while he respected the data that the Center for Science and Environment had gathered for its report, its conclusions are flawed.

"There is no doubt," he said, "that forest cover brakes the first burst of rains, giving people in the area of rainstorms or downstream just those few minutes that are critical between life and being swept away in flash floods."

Romanian Cargo Ship Sinks

Reuters

BUCHAREST — A Romanian ship carrying chemicals sank in a Mediterranean storm off Sicily, the official Rompres news agency reported Monday.

Old Scores and New Attacks in Pakistan

By Steve Coll
Washington Post Service

KARACHI, Pakistan — Two years after throwing off military rule and trying to renew democracy, Pakistan is sliding back into old patterns of vengeful confrontation.

The main opposition party, the Pakistan People's Party led by former Prime Minister Benazir Bhutto, is threatening to withdraw from all democratic assemblies and to take its anti-government campaign into the streets.

Miss Bhutto's party, which was dismissed from office 17 months ago on corruption charges, accuses the government of mounting a violent program of persecution against it and other opposition groups.

Government officials, in turn, accuse Miss Bhutto of harboring terrorists and plotting with India to destabilize Pakistan.

As the fervor of accusations intensifies, the country's nascent democratic system is being severely tested.

In southern Sind Province, Miss Bhutto's traditional stronghold, incidents of alleged political violence are on the rise. Last week, three masked men carrying revolvers barged into the home of Farhana Hyat, 39, a dress designer who describes herself as a committed supporter of Miss Bhutto.

The men stuffed a rag into her mouth, dragged her upstairs, beat her, and sexually assaulted her for 12 hours, punctuated by lectures on politics, she said. Her assailants asked how many times she went to Miss Bhutto's house, about her friends and their relationship to the People's Party.

"They said, 'The police are with us. If you have us arrested, we'll be out tomorrow,'" she said.

"One said, 'We are given jobs in groups. We were given your house. We have higher-up friends.'"

Mohammed Salahuddin, a conservative Muslim publisher who is sharply opposed to Miss Bhutto's party, fared little better after he wrote stories denouncing a faction of the provincial Pakistani government. An armed gang showed up at his house one night and set it on fire while his two daughters were inside. The police did not intervene, but Mr. Salahuddin's children escaped.

In these and other cases, journalists, conservative Muslims and political allies of Miss Bhutto say they have become targets of arbitrary arrests, kidnappings, beatings and knife attacks instigated by provincial and central government officials.

In the recent crackdown, hundreds of People's Party activists have been arrested. The government says 350 have been picked up, while the People's Party puts the number at about 2,500.

Some Pakistanis and diplomats assert that human rights abuses in Sind may be worse now than at any time in the last two decades, including the prolonged period of martial law during the 1980s.

The main group accused of complicity in these cases is not the government in Islamabad, led by Prime Minister Nawaz Sharif, but the provincial government in Sind, led by Jam Sadiq Ali, a machine politician and feudal landlord who defected from the People's Party in 1990 and turned against it.

Publicly backed thus far by Mr. Sharif, Mr. Ali denies sponsoring violence and argues that he is only trying to restore law and order and root out terrorists from Sind.

Some Pakistanis say that in his hatred for Miss Bhutto and her party, Mr. Sharif could be jeopardizing his own future by undermining the democratic system on which his government depends.

That idea was captured in a recent political cartoon in the national Frontier Post newspaper. It showed Mr. Sharif straining to push a boulder labeled "the opposition" over a cliff while failing to notice that the rock was tied by a chain to his ankle.

Yet Mr. Sharif appears prepared, if necessary, to accept a People's Party walkout from Pakistan's democratic assemblies and has said he is not frightened by Miss Bhutto's threat to initiate mass protests.

People's Party leaders say they would consider a compromise if Mr. Sharif would withdraw court cases against them and dismiss Mr. Ali's provincial government. But Mr. Sharif said that he wanted to leave all legal matters to the courts and did not want to move precipitously against Mr. Ali's elected government.

French Nazi Hunter Is Expelled From Syria

The Associated Press

PARIS — The Nazi hunter Beate Klarsfeld was expelled from Syria on Monday after being arrested while protesting the government's alleged harboring of a Nazi war criminal, the French Foreign Ministry said.

Mrs. Klarsfeld was arrested in Damascus after demonstrating against the reported presence in Syria of Alois Brunner. Mr. Brunner was convicted in absentia for his role in deporting 120,000 Jews from France during World War II.

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Kennedy Houseguests Heard Nothing

The Associated Press

WEST PALM BEACH, Florida — William Kennedy Smith gave no hint that anything was amiss during the weekend that a young woman has said he raped her, two New York prosecutors testified Monday.

"No, it didn't appear that anything was wrong," said Stephen Barry, who, with his wife, Carol, was a guest at the Kennedy estate here last Easter when the young woman said the assault occurred.

When Mrs. Barry took the stand later, she said that Mr. Smith "seemed fine," adding, "There didn't seem to be anything different at all."

Gregory Cummings, a patron of the Palm Beach club where Mr. Smith met his accuser, testified Monday that "she was a little bit arrogant, a little bit cocky" that night.

Mr. Cummings said the woman drank champagne straight from the bottle when he saw her there in the early morning of March 30.

The woman, 30, says that she then went with Mr. Smith to the Kennedy estate and that he raped her on the lawn.

The Barrys, both of whom are assistant district attorneys in Manhattan, said that they had slept with their windows open and heard nothing at the time when the woman said she was being raped on the grass. The woman has testified that she screamed for help.

The lead prosecutor, Moira K. Lasch, asked Mr. Barry why, as a prosecutor, did he not call the Palm Beach police as soon as he learned from news reports of the allegations against Mr. Smith, 31, a nephew of Senator Edward M. Kennedy.

"I didn't think it was my role or my duty to call the Palm Beach police," Mr. Barry replied. He added that he informed his boss, District Attorney Robert Morgenthau, and later called a Palm Beach police sergeant.

Mrs. Lasch said the call was made two weeks later, but Mr. Barry said he did not think it was that long afterward.

A grand jury has been investigating a Palm Beach police complaint that Mr. Barry's father, William, misled them in the initial stages of their rape investigation.

When Mr. Barry first took the stand on Sunday, defense lawyers asked him about the relationship between his father and the Kennedys.

He emotionally described his father's close friendship with the late Senator Robert F. Kennedy. His father, a former FBI agent, knocked the gun out of the hand of Robert Kennedy's assassin.

With Mr. Barry describing the 1968 assassination and with the late senator's son, Michael Kennedy, watching in the courtroom audience, Mrs. Lasch objected that the testimony was "totally irrelevant." Her objection was sustained.

On Monday, another son of Robert Kennedy's, Robert Jr., joined the spectators.

Mrs. Lasch asked Mr. Barry on Monday: "Would your father lie for the Kennedys?"

"No, he wouldn't lie for the Kennedys," he replied.

The sharpest exchanges on Sunday came between Mrs. Lasch and an expert witness, Jay Siegel, a professor of forensic sciences at Michigan State University. Professor Siegel was hired by the defense to analyze soil and sand outside the Kennedy estate.

He concluded that the sand found in the accuser's underwear could not have come from the lawn where she says she was raped but was probably from the beach below. The defense maintains that the woman and Mr. Smith engaged in consensual foreplay on the beach.

Mrs. Lasch elicited acknowledgements that sand could have been tracked up to the lawn and that Mr. Smith, coming out of the water after a swim and running and kicking up sand, might have had sand sticking to his body when he allegedly raped the woman.

"Wouldn't you agree that a 6-foot-2, 200-pound man running up a beach would churn up sand?" she asked, and Professor Siegel said he agreed not as an expert, but in common sense.

"And if the defendant was wet and running up the beach on March 30, 1991, and kicking up sand, some of that sand could stick to his body, couldn't it?" Ms. Lasch asked.

Yes, he replied, if the man's body was wet.

■ A Kennedy Admits Drugs

Senator Edward Kennedy's younger son, Patrick, has acknowledged that he had a drug habit as a teenager but says he overcame it in 1986 by checking himself into an exclusive rehabilitation center, The Associated Press reported from Providence, Rhode Island.

Patrick Kennedy, 24, a state legislator in Rhode Island, issued a statement in response to allegations by a former patient of the New Hampshire clinic who said Mr. Kennedy had told him he had a $4,000-a-day cocaine habit.

"A $4,000-a-day cocaine habit is ridiculous," Christopher Nocera, a Kennedy aide, said Monday of the allegations. The charges were published in the National Enquirer, a tabloid weekly.

Mr. Kennedy did not disclose what drug was involved.

Marc Peeters/Reuters

Moira Lasch, the chief prosecutor, bringing papers into court.

High Court to Rule On Hawaii's Ban on Write-in Voting

Compiled by Our Staff From Dispatches

WASHINGTON — The Supreme Court agreed Monday to decide whether states may prohibit write-in voting in elections.

The court said it will hear a challenge to such a ban in Hawaii, where a voter said his rights were violated because he was denied the chance to support candidates not listed on the ballot.

The court also agreed to decide whether federal judges may second-guess prosecutors who do not seek softer sentences for convicted criminals who cooperated in the prosecution of others.

The justices said they would hear the appeal of a North Carolina man who says he was wrongly denied a lesser sentence for a 1990 drug-trafficking and gun conviction.

And the court refused to consider giving lawyers greater leeway in criticizing judges.

With one dissenting vote, it let stand disciplinary actions in New York and Missouri against elected prosecutors who contended that their free-speech rights were violated.

In the voting case, a Honolulu lawyer, Alan Burdick, challenged Hawaii's write-in ban, saying it violated his rights of free expression and association.

He said he wanted to write in candidates of his choosing in a 1986 state election because none of those listed on the ballot reflected his views on significant issues. State officials told him his ballot would not be counted if he wrote in names not listed on it.

The 9th U.S. Circuit Court of Appeals ruled last June that Mr. Burdick's rights were not violated.

"The prohibition on write-in voting may limit Burdick's political speech, but it does not restrict the alternative channels available to Burdick for expressing his political views," the appeals court said.

While Hawaii's election procedures are at issue, Mr. Burdick's brief says that three other states — Nevada, Oklahoma and South Dakota — have a ban on write-in voting; eight others allow write-in voting in general elections but ban it in primaries, and at least 16 states require registration by write-in candidates. *(AP, UPI)*

Dallas Daily's Demise Leaves One-Paper City

The Associated Press

DALLAS — With a banner headline reading, "Goodbye Dallas!" the Dallas Times Herald put out its last edition Monday, which makes this the largest American city with just one daily newspaper.

The Times Herald agreed to a $55 million buyout by The Dallas Morning News, ending a bitter rivalry that lasted 106 years. The paper's 900 full-time employees were laid off with two months' pay.

"I'm sad for myself, I'm sad for the newspaper," said Marty Sabota, a reporter. "But mostly I'm sad for the people of Dallas, who have lost the advantages and the benefits of a two-newspaper town."

Mounting debt and the poor economy made the closing inevitable, said John Buzzetta, the publisher.

"This recession has been especially difficult for media companies and particularly hard on the second newspaper company in a market," Mr. Buzzetta said.

"We weren't losers as journalists," said Roy Bode, the newspaper's editor. "We lost in the end to the market and the economy."

The newspaper had been sold twice in the last five years.

Mr. Buzzetta approached A.H. Belo Corp., owner of The Morning News, which agreed to the deal in October. The Justice Department, which reviewed the agreement for antitrust violations, approved it over the weekend.

The Times Herald had about 200,000 subscribers, with Sunday circulation of 290,000. The Morning News had a daily circulation of 405,000 and a Sunday figure of 620,000.

The Morning News will increase its staff of 1,700 because of the anticipated circulation boost, said Burl Osborne, the paper's publisher and editor.

An AIDS Vaccine by 2000? U.S. Researchers See Hope

The Associated Press

WASHINGTON — The head of the National Institute for Allergy and Infectious Diseases told President George Bush on Monday that federal researchers hoped to have an AIDS vaccine by the year 2000.

The director of the institute, Anthony Fauci, said that the National Institutes of Health was devoting 10 percent of its budget to AIDS research.

"The scientific opportunities are there to do more, and we will," he said.

"Hopefully we will have a vaccine before the end of this decade," Dr. Fauci said.

Louis W. Sullivan, the secretary of health and human services, told Mr. Bush that "except for cancer, in the federal budget we have more dollars allocated for AIDS than for any other disease."

Mr. Bush said, "I have great confidence in our professionals in this government that are working these problems."

James O. Mason, assistant secretary for health, told Mr. Bush that 200,000 Americans have now been infected by the HIV virus, which causes AIDS, including 45,000 cases reported in the last 12 months.

The death toll has reached nearly 130,000.

The National Commission on AIDS has accused Mr. Bush in the past of failing to provide enough leadership in the AIDS fight. The meeting Monday was "exactly the sort of thing he should do more of," said June Osborn, the commission chairwoman.

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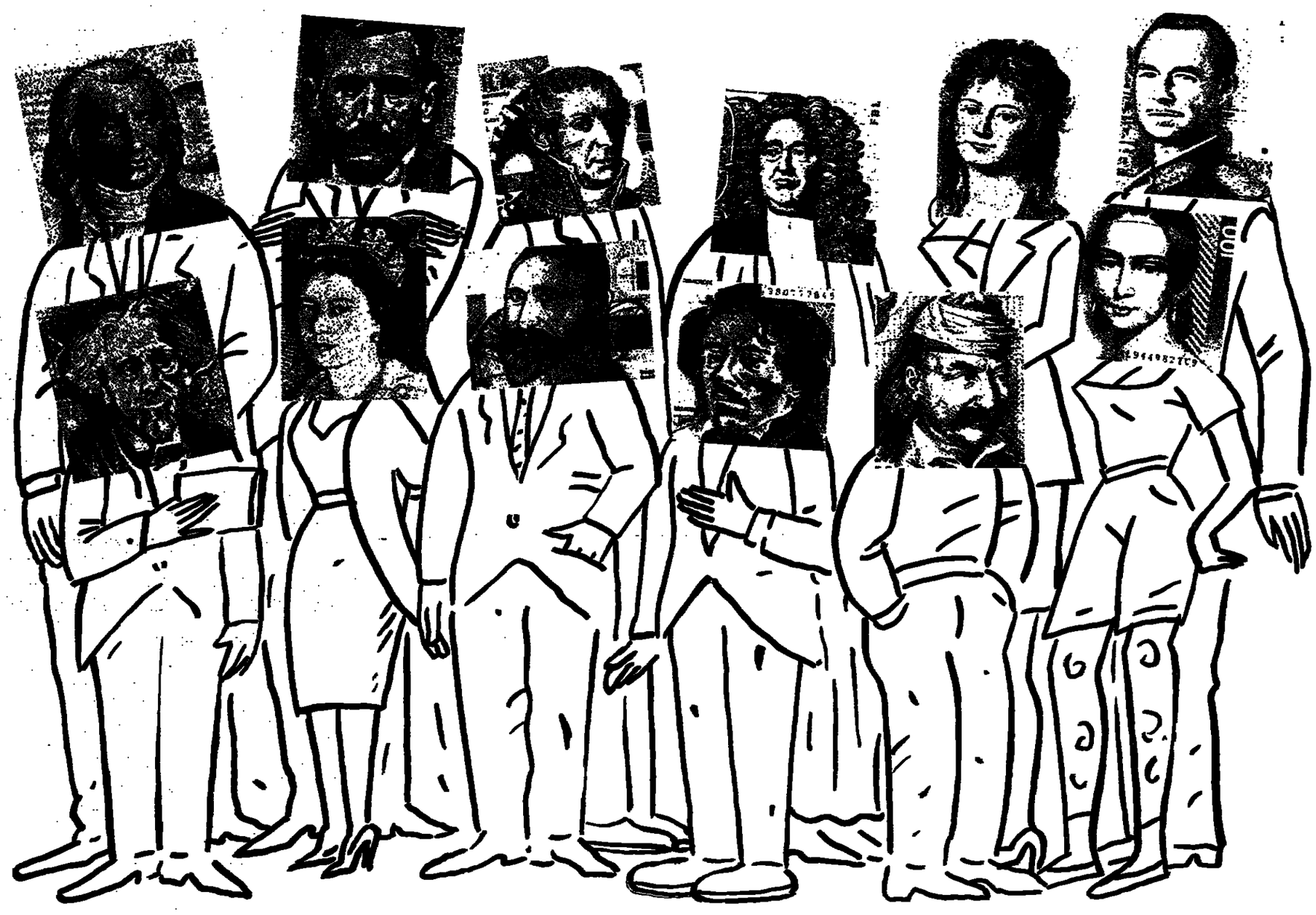
Can you spot the typical European?



The concept of a "typical European" – an abstract man-in-the-street sometimes used as a basis for corporate strategic planning – is rooted in a misunderstanding.

Even within the Common Market, Europeans aren't all alike.

Indeed, the closer you look at the New Europe, the more clearly its complexities stand out.

This is due not only to obvious historic, linguistic, cultural and economic causes. It also reflects a tendency towards greater structural differentiation.

This trend will no doubt intensify in view of the desire on the part of some EFTA countries to join the EC and given recent moves towards closer cooperation within the framework of a European Economic Area (EEA).

And ultimately, the success of economic reform in Central and Eastern Europe will also have a substantial impact.

Among other things, the more liberal environment in the future could lead to a merger of national economic centers into larger, regional markets, without regard to internal political boundaries.

Markets for goods and services will change, and there will be an increase in the international division of labor. And of course, competition will heat up.

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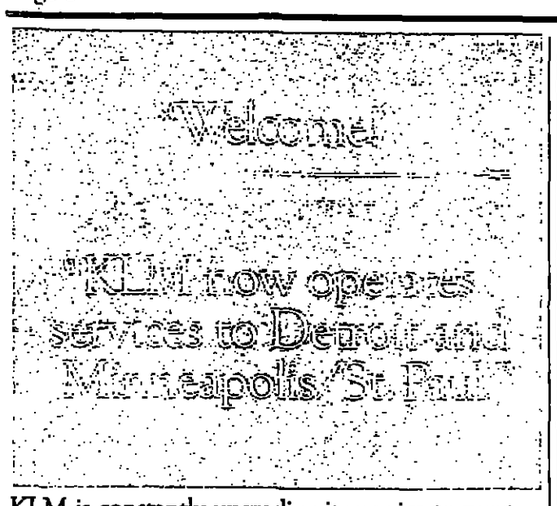

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In Long-Beset Somalia, Violence Reaches Shattering Depths

By Jane Perlez
New York Times Service

MOGADISHU, Somalia — Over the last three weeks this seaside northeastern African capital has descended into a frenzy of violence, foreign medical and relief workers say, as rival tribal factions kill and maim men, women and children in a civil war that has brought the country virtually to a state of anarchy since the overthrow of the country's long-ruling president in January.

At least 4,000 people have been killed and more than 9,000 have been wounded, the workers say, adding that more than 90 percent of the victims were noncombatants. The violence is at a level rare even for this country long troubled by civil strife, the workers and diplomats say.

"I have never seen anything like it in my life," said Dr. Ruben Osorio, one of the few remaining medical personnel at Madina Hospital, the only hospital that is still effectively functioning in this ransacked city.

As the workers struggle to cope with wave after wave of casualties, many of the victims have been left to die in heaps of bodies around the hospital.

"I lost 22 patients in two hours as they lay on the floor," said Dr. Osorio, who is with the International Medical Corps, a U.S. agency. "I did all I could. People with head wounds we just put to one side. We couldn't do anything for them."

The fighting is the deadly manifestation of a power struggle between two men, President Ali Mahdi Mohammed and General Mohammed Farrah Aidid.

Both are members of the same tribe, the Hawiye, and the same political group, the United Somalia Congress.

But each belongs to a different subclan of the Hawiye. And each claims to be the rightful leader of Somalia, a desert country of about 9 million mostly nomadic people that borders the Indian Ocean on the Horn of Africa. During the Cold War, Somalia was wooed with aid and sophisticated military hardware first by Moscow and then by Washington, but its strategic value has diminished with the collapse of Soviet communism.

The Somali leader of 21 years, President Mohammed Siad Barre, was overthrown in January by forces of the United Somalia Congress after a month of fighting. Since then, the country has devolved into anarchic enclaves of tribal warfare, with the current battle in Mogadishu the most vicious.

Since January, Mogadishu, a place of whitewashed buildings and flowering bougainvillea, has been an unworkable city. There has been no functioning government.

With the exception of a few heavily guarded private homes, virtually all buildings have been broken into and everything of value, including the copper electrical wiring on the streets, has been looted.

The only foreigners remaining in the city are about 45 relief workers from the International Committee of the Red Cross and other agencies. Since a brief visit in October, officials of the United Nations have deemed the city too dangerous for the agency's relief workers.

The United States, which supported Mr. Siad Barre from 1978 until he fled and which is now financing emergency relief efforts, issued a statement last week deploring what it called the "senseless carnage."

"The appalling and intolerable slaughter results from selfish attempts by clan-based factions to gain or maintain an advantage over one another," the State Department spokeswoman, Margaret D. Tutwiler, said in Washington. The United States has had no diplomats posted in Mogadishu since it evacuated its embassy in January.

Fighting broke out on Nov. 17 between the forces of Mr. Mahdi Mohammed, who was declared president soon after the United Somalia Congress took power, and General Farrah Aidid, who is chairman of the congress. Somalis said General Farah Aidid began the fighting when he prevented the landing of a plane carrying government officials from Italy, the former colonial power. He apparently felt that the Italian visit would impart undue recognition to Mr. Mahdi Mohammed.

Aid workers and Somalis said each leader was enticing impoverished young men of his clan to do battle by offering them food and khat, a leaf with narcotic qualities that when chewed gives a marijuana-like high.

These unschooled "bush boys," presented with weapons when they come to town, are causing the civilian carnage, they said. The fighters ride tanks and stolen trucks through the city, firing artillery and high-caliber machine guns down streets and into houses.

"There are no determined targets of the artillery, just indiscriminate shelling," said Colonel Osman Dahir, a former officer in the Siad Barre army who is a member of a neutral clan trying to negotiate between the two warring factions. "Each side wants to create terror on the other side."

In an interview in his heavily guarded house, General Farrah Aidid, who served in the army of Mr. Siad Barre, said it was his aim to "capture Mahdi."

"This is our duty," General Farrah Aidid said. He described Mr. Mahdi Mohammed as more corrupt and more dictatorial than Mr. Siad Barre.

There has been a steady exodus of families from the capital since the battle started three weeks ago. About 45,000 people have camped in the bush north of the city. Mothers who have tried to set up house under the trees at the village of Deynile said that food was scarce and that young children were beginning to starve.

Those who remain in the city are in perpetual danger of being hit by bullets and shells. Doctors from the International Medical Corps and Doctors Without Borders said the magnitude of the weapons, cannon fire that is usually reserved for battlefields with armies, was creating particularly vicious wounds.

The foreign medical personnel move around the city in two vehicle convoys, with armed guards in one car, and pickup trucks, dubbed "Mad Max" cars, mounted with submachine guns, at the rear. All cars driven by Somalis have the muzzles of at least two submachine guns pointing out the windows.

Both sides in the warfare are able to keep up the intensity of fighting because of the abundant weapons seized in the January overthrow that were originally provided to Mr. Siad Barre by a variety of countries.

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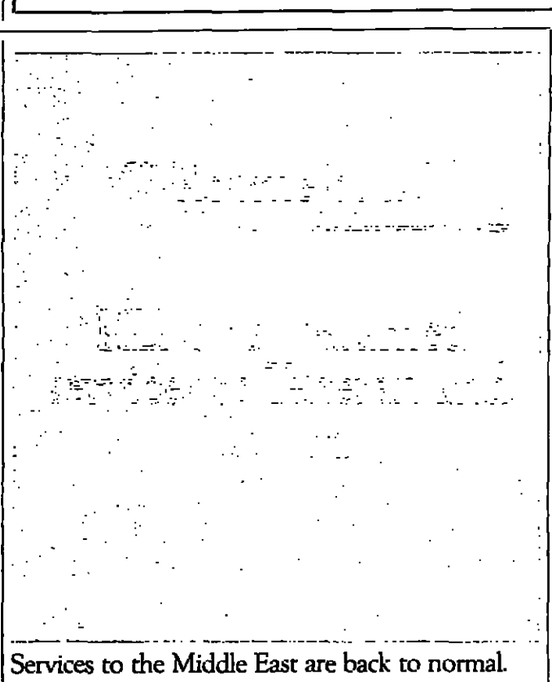

Services to the Middle East are back to normal. And KLM is pleased that it has resumed its regular connections with the major centres in that area.

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Israel Shapes a New Wave of Immigrants

By Jackson Diehl
Washington Post Service

HOFIM, Israel — Six months ago they were an exotic sight as they gingerly descended the airplane stairways: skinny, wide-eyed Ethiopian children, dressed in coarse white cloth and mostly barefoot, who clutched ragged toys or the hands of parents equally awestruck by their arrival in Israel.

By now, however, those exotic Jews are not to be found in this country.

Instead, seated in neat classroom rows at this beachfront "youth village" in northern Israel, are 500 preadolescents and teenagers who dress in the jeans and T-shirts of modern Israel, wear the skullcaps of its Orthodox religious establishment, speak to each other in simple Hebrew — and already share the dreams of native-born Israeli youth.

"I want to be a pilot," volunteered Musafan Adenan, 16, who six months ago was trapped in the squalor of Addis Ababa, the Ethiopian capital. "Not a passenger pilot, but a fighter pilot in the air force."

Adenan and about 5,000 other Ethiopian children who arrived in Israel's lightning airlift of Ethiopian Jews in May are in the midst of a transformation. Theirs is a cultural metamorphosis that has been one of the defining aims of this Jewish state, and one of the key sources of its complex psychology.

Separated by the state from their parents and lodged in boarding schools around the country, the new generation of Ethiopian Jewry is being systematically reshaped.

From a diaspora community with its own language, religious customs and rural economic culture, the Ethiopians are being remade by Israeli authorities to fit the norm of their new home: Hebrew-speaking, Orthodox, Western-oriented Jews who live in a high-technology economy and share a preoccupation with security.

"The future of this community is literally in our hands," said Eli Amir, the director of the Jewish Agency department that runs the boarding school program. "If we succeed, they will be constructive members of the society."

Ethiopians are being remade into Hebrew-speaking, Orthodox, Western-oriented Jews who live in a high-technology economy and are preoccupied with security.

Every day at Hofim and other boarding schools, Israeli teachers and social workers pursue the task of cultural reconstruction. For up to seven hours a day, the Ethiopian children are immersed in Hebrew studies. In the afternoon, traditional Ethiopian games are set aside in favor of Israel's most popular sports: soccer and basketball. And three times a day, the newcomers attend the school synagogue, where they are taught mainstream Orthodox Jewish practice in place of the variant customs of Ethiopian Jews.

None of the teachers speaks the Ethiopian language, Amharic, and the students are encouraged to speak Hebrew to each other. The clothes and food are mainstream Israeli, as are the songs at Friday-night sing-alongs. Visits to parents are scheduled only once every two weeks.

"They come here with no knowledge of Israel, the culture, of our traditions, of standard religion," said Shraya Kav, Hofim's director. "We are responsible for everything in their lives. We choose their clothes. We choose which songs they will hear. We are making them what they will be here — all within one year."

Almost all of the Ethiopians will remain in state boarding schools until they finish high school. Then they will be transferred directly into the army, carrying out the mandatory service that bonds most Israelis to the country.

Social engineering of this kind has always been a part of Jewish life in Israel. The early Zionists considered the creation of a "new Jew," stripped of the culture of the diaspora, to be one of their central goals. When immigrants from more than 70 countries poured into the new state after 1948, politicians believed that only forceful state intervention in culture and education could forge a stable society.

In the last half-century, 300,000 Israelis have been educated in the Jewish Agency's system of boarding schools.

In many ways, too, Israel's Jewish society today is remarkable in its degree of homogeneity. Hebrew is the universal language. Religious practice varies according to different Sephardic and Ashkenazi customs, but variations from Orthodox Judaism are unusual and are frowned upon by the religious establishment.

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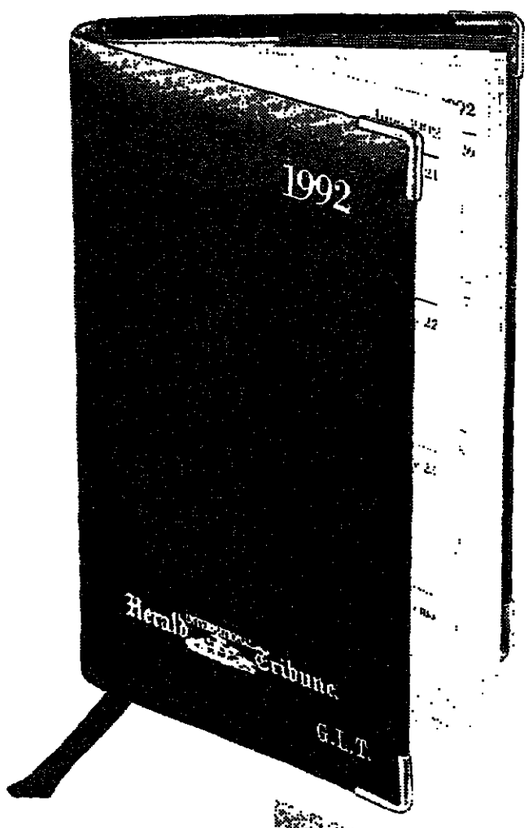

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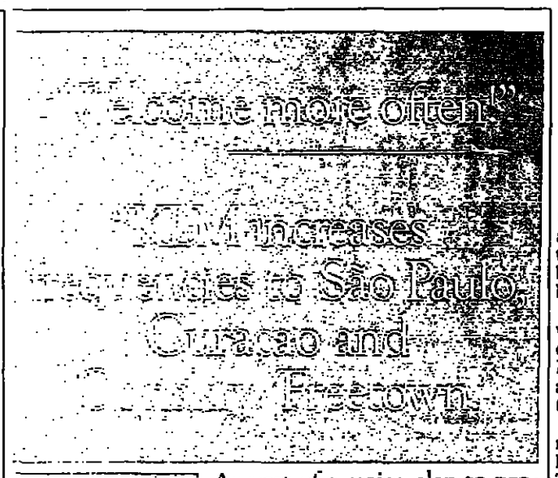

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17 Die as Clashes Surge After an Inkatha Rally

The Associated Press

JOHANNESBURG — At least 17 people were killed in shooting and stabbing attacks in the black township of Soweto after an Inkatha Freedom Party rally, the police said Monday.

They said at least 13 were wounded in the fighting, which erupted Sunday when about 12,000 Inkatha members, many of them armed, left a rally in the sprawling township outside Johannesburg.

Fighting continued during the night with scattered attacks on vehicles and homes, the police said. The fighting was the worst Soweto has seen in recent months and was a sign of the bitterness among black factions as they prepare for negotiations on political change.

In incidents elsewhere, the police said two persons had been killed in political violence.

Thousands of blacks have died in the past five years in clashes between supporters of the Zulu-dominated Inkatha and the rival Africa National Congress. The violence for months delayed the start of negotiations with the government. The latest outbreak indicated the divisions to be overcome once negotiations begin.

Although both Inkatha and the ANC oppose apartheid, they have strong tribal and ideological differences. They are among about 20 organizations scheduled to meet Dec. 20 and 21 to start negotiations on rewriting the constitution to end white rule.

The ANC and several smaller black groups agreed last month to set aside their differences and ally themselves against the government during negotiations. Inkatha was not part of the alliance.

The Inkatha leader, Chief Mangosuthu Buthelezi, made clear at the rally on Sunday that he would not back down on at least one demand strongly opposed by other groups. He said he would push for the king of the Zulus, Goodwill Zwelithini, and for his semiautonomous Zulu homeland, KwaZulu, to be allowed their own delegations in the talks.

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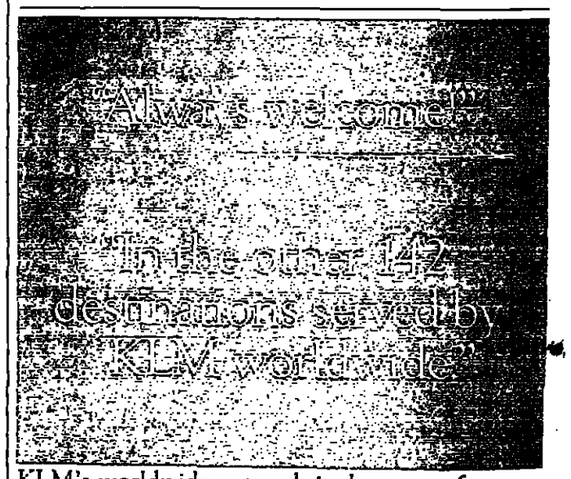

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A Boom Year for Princesses

Patrick Trautwein/Point de Vue

Alain Mathieu/ Point de Vue

Vincent de Marly/Point de Vue

Top left, Hélène of Yugoslavia models couture from Lecoanet-Hemant; top right, Clotilde d'Orleans in Dior; above, Katia de Limburg Stirum in Gianni Versace.

International Herald Tribune

PARIS — This has been the Year of the Princess. One of the most unlikely by-products of the collapse of communism has been the resuscitation of the *ancien régime*. The daughters of the counterrevolution have taken a high social profile: 18 year-old Kalina of Bulgaria, daughter of King Simeon; her deliciously pretty sister-in-law Rosario, wife of Bulgaria's Prince Kyril; Hélène of Yugoslavia, the granddaughter of former King Umberto of Italy; Alexandra of Greece, daughter of Prince Michael.

Until this year, they were just young women making their way in the modern world through a respectable job at Sotheby's or Christie's, their titles little more than headings on the company stationery. But suddenly the restoration of the European monarchies is not just an impossible dream, and dinosaur dynasties are twitching back to life.

"You can trace a thread," says Annick Théo-Petit, an editor at Point de Vue. "In the 1930s and 1940s, the images were created by Hollywood and its stars. Then those stars — Grace Kelly with Prince Rainier and Rita Hayworth with Aly Khan — married princes, which made royalty high profile in the 1950s. Now again this is a time when interest in royalty is rising."

The signs of change are not just in France. In England Hello!, a British offshoot of the Spanish magazine Hola!, has seen its circulation rise to 400,000 over three and a half years on a policy of being nice to everyone, especially the rich, famous and titled. High society, as a result, rushes to open up its estate gateways, and the Duchess of York was even snapped changing her daughter's diapers.

Right from the start, Hello! introduced its readers to the European royal dynasties. "I think there is a craving for that kind of glamour — and especially the rather mysterious European princesses," says Maggie Goodman, U.K. editor of Hello!, who claims that the success of the magazine is that it feeds people's curiosity. "I feel too that there is a need to escape from the rich Americans with no background or history — I suppose you could call it a new European snobbishness."

The British magazine Tatler (in the Condé Nast stable) was once the glossy tribal broadsheet of the upper classes. It has now reverted to type, after a brief period of cut and thrust under Tina Brown, who went on to edit Vanity Fair in New York. Tatler's current editor, Jane Proctor, has seen its monthly circulation rise 34 percent to 65,000 since she took over a year ago. Her fashion policy has been to use "real" people — to photograph on the grand and titled the clothes that they wear for the gathering of their clans, from race meetings to balls. The fashion result is of a very upmarket catalogue with which readers can immediately identify.

To signal the start of what she describes as "the new nice Tatler," Proctor made the cover a flattering portrait of the Duchess of York. This month's issue features a young Princess Grace of Monaco at her most glamorous, while British Vogue has the ultimate cover girl: Diana, Princess of Wales, in a roll-neck sweater as patron of ballet and dance.

On Tuesday, Princess Caroline of Monaco is expected to attend a Paris gala, which will be her first social sortie since the boating accident in which her husband was killed in 1990. With her father, her brother, Crown Prince Albert, and tearaway sister Stephanie, she will attend a concert and dinner under the pyramid at the Palais du Louvre, for a benefit in aid of the Princess Grace Foundation, with Claude Pompidou, widow of the former prime minister. This event, attended by *le tout Paris*, will have its complement of other princesses: d'Orléans, de Beauvau Craon, Bourbon Parme, Poniatowski. Dior will dress, among others, Adelaide d'Orléans, as it did her elder sister Clotilde for Point de Vue.

The return of the princess as a symbol for society to aspire to came with the glamorous young generation of blue bloods. Although Diana has deliberately steered away from appearing as a fashion plate, and has concentrated on good works, the idea of princess as model can be dated from a series photographs that Karl Lagerfeld took of Caroline of Monaco during the 1980s.

Liz Tilberis, editor in chief of British Vogue, insists that Diana, as a future queen, must not be made into a mannequin, but admits that the magazine has focused on other young and glamorous members of England's royal family.

"We tried to avoid making her into a fashion model," she says. "Dance is her big passion and we wanted a picture that did not convey clothes or royalty, but that was just a beautiful portrait."

The truth is that royalty sells magazines. In hard times, when readers cannot bear too much reality, a princess is a glamour figure, untainted by any need to sell herself, like a more commercial celebrity.

Yet there was a time when a would-be egalitarian world swept away debutantes and society beauties in the 1960s and the women's movement focused on those who were achievers in their own right. How strange that 25 years on, we are still fascinated by the princess — the ultimate symbol of being the father's daughter or the husband's wife.

Suzy Menkes

Christopher Moore

Jean-Marc Lebecsque

Dior's Gianfranco Ferré and model, at left, and Lanvin's Claude Montana.

Playing Fashion Chairs

Designers and Problems of Allegiance

By Suzy Menkes
International Herald Tribune

PARIS — Last week's successful flotation of Christian Dior stock — the 6 percent on offer was two and a half times oversubscribed — ends the era of high fashion and high finance that characterized the 1980s.

The luxury fashion world is left with a triumphant triumvirate: Chanel, a private company; Yves Saint Laurent (which entered the Bourse at the height of the fashion boom in July 1989; and Dior, part of Bernard Arnault's luxury goods empire, which includes Givenchy and Lacroix. Balmain is left picking up the pieces after a spectacular crash. Lanvin is developing at a snail's pace. It is most unlikely that any couture house will now go public in the foreseeable future.

The aim now for all the established couture houses is to focus on the brand name rather than the designer. This also marks the end of the era of the 1980s, for it was after Karl Lagerfeld's arrival at Chanel nine years ago that other couture houses turned to ready-to-wear names to rejuvenate their images, while allowing those designers to keep their own labels.

The aim is for couture to focus on the brand name.

This week, Dior's designer Gianfranco Ferré will announce the opening of a new boutique under his own name in Avenue George V next spring. Ferré has created a sleek and luxurious image for Dior, but the international exposure that comes with the Paris connection has also advanced his own Milan-based ready-to-wear business. Philippe Vindry, Dior's director since September 1991, is known to be concerned about this division of interests.

But Dior's dilemma is nothing compared to the imbroglio at Lanvin, where Claude Montana signed a three-year contract, which still has two seasons to run, to design only the haute couture. Michel Pietrini, Lanvin's director, said Monday that he inherited from his predecessor the arrangement as part of the Montana-Lanvin *corbeille de mariage*, or nuptial gifts.

"We are currently negotiating with Claude Montana's lawyers, but the real discussion will take place after the next couture collections and the result will be announced by March 1992, six months before the expiration of the contract in October," he said.

The right conditions are the *sine qua non* of whether Montana will sign a new contract, according to his sister and spokeswoman, Jacqueline Montana.

"Claude has his own prêt-à-porter and he agreed to do only haute couture for Lanvin," she said Monday. "Don't forget that he was originally approached by Dior to be overall design director, but he turned that down." Jacqueline Montana said that the new sportswear line called Odyssey, produced by the Italian manufacturer GFT, would be shown in January and on sale in the fall. Montana has throughout been advised by Jacques Rouet, former president of Dior who confirmed Monday that new negotiations were under way, but that Montana was not prepared to do Lanvin's ready-to-wear.

"And it would not be in the spirit of the present contract for Lanvin to adapt any of Montana's couture models for ready-to-wear," he said. Meanwhile, Eric Bergère, who had been designing Lanvin's recent ready-to-wear collections (although he has never met Montana), resigned in November.

"After two years, I wanted a proper contract, but they were prepared to hire me only from one season to the next," he said. Bergère will continue to work with Inès de la Fressange, whose boutique is financed by Orcofi, joint owner, with l'Oréal, of Lanvin. Luïc Bougainvillea, studio head of Balmain until 1986, has taken over direction of Lanvin ready-to-wear.

At Balmain, Hervé Pierre will present his second couture collection, of just 40 pieces, at the Maison Amérique-Latine in January. A men's collection (which skipped last season) by designer Patrick Aubert will be presented in February.

Is the party over for the high fashion game of musical chairs? The latest move has taken Patrick Lavoix, Lanvin's menswear designer, to Dior. But this too is a sign of the times, for he replaces Dominique Morlotti, who has opened his own boutique and was therefore apparently unacceptable to Dior.

The general consensus now is that no man (apart from the uniquely polymath Karl Lagerfeld) can serve two masters. And any couture house in the 1990s negotiating for a designer is likely to demand absolute allegiance.

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OPINION

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Don't Free the Hammadis

The German government insists that there will be no deal. It will not free the two Hammadi brothers, convicted terrorists, in order to spring the two German humanitarian workers who are the last Western hostages known to be alive in Lebanon. Not everyone is so sure of Berlin's resolution. There is, for instance, the mother of Robert Dean Stethem, the U.S. Navy diver killed by Mohammed Ali Hammadi in cold blood in 1985; she writes on this page today. The Hezbollah captors of the Germans held in Lebanon are agitating for a swap; their number apparently includes a third Hammadi brother. At the United Nations and elsewhere there are murmurs of a possible later pardon for the Hammadi pair. Many people seem to feel a certain end-of-an-era readiness to "wipe the slate clean," to blur the difference among hostages, detainees, prisoners and convicts and bring the whole lot home. It would be terrible to include the Hammadis in any such agreement.

The UN diplomats who broke the region's hostage gridlock are right to keep on working to reclaim the last two Western hostages. The United Nations is also striving to free Israel's remaining Lebanese prisoners, most of them taken in the war in southern Lebanon, and to free or account for missing Israeli soldiers. It is understood and accepted on all sides that these are part of the same Lebanon package.

But the brothers cannot fairly be put into that package and made part of a deal. One conducted the hijacking (with a murder) of a TWA airliner; the other committed crimes to rescue his brother. These were particularly heinous offenses. The pair were tried and convicted in a fair, responsible court.

Terrorism is practiced and harbored most easily in countries where the law as an independent force has broken down. This is what makes it obligatory for law-ruled countries to enforce the law against terrorism strictly. Otherwise all is lost, and the states that live by the law are open to easy victimization. This is what is at stake in the German government's stand on the Hammadi brothers. It should not even think of freeing them.

— THE WASHINGTON POST.

Indonesia's Tiananmen

The Indonesian government has reacted in panic and defiance to the ballooning world reaction to its slaughter of East Timor independence demonstrators on Nov. 12 — an Indonesian Tiananmen. It is fending off international observers, but enough reports are getting through to convey a picture of something akin to mass terror: soldiers everywhere, roundups, shootings, threats. Indonesia seems to believe that it can intimidate the independence movement and stiff-arm foreign concern at one swoop.

But can it? More to the point, will the United States let it? At least until recently, the answer might have been yes. The United States stood by wittingly and permissively on Dec. 7, 1975, as friendly anti-Communist American-armed Indonesia, a rising regional prize and power, snapped up East Timor out of the disintegrating Portuguese empire. The subsequent repression took 100,000 or more Timorese lives but occasioned little interest in Washington.

The events of Nov. 12, however, suggested that things were changing. It was not merely that unimpeachable Western observers were on the scene to witness a massacre. The world freedom movement has released many people previously inhibited by the Cold War to ask for change in places like Indonesia. Senator Malcolm Wallop, for instance, initiated the letter signed by more than 50 colleagues urging President George Bush to play a greater role.

The Indonesian government has gone into a defensive crouch, accusing the demonstrators of provocation, launching its own meant-to-be preemptive investigation and hoping obviously to ride out the storm. This should not be tolerated.

The immediate priority is to put enough heat on and to put observers in East Timor to prevent further retaliation against the independence people. Australia can make a special contribution: to suspend its agreement with Jakarta dividing oil rights in the sea between it and Timor.

There must be a parallel effort to deal with the political roots of the problem. That means going beyond condemnation and impartial investigation and organizing an expression of self-determination. The United Nations could do the job best. If Indonesia is right in claiming that it has brought prosperity and light to East Timor, it would not fear a fair poll. President Bush, liberator of Kuwait, should make this his policy's priority.

— THE WASHINGTON POST.

Maxwell Had Accomplices

"Crook of the century" is only one of several nasty brands being applied to the late Robert Maxwell, whose far-flung publishing empire is in a financial free-fall. The accusers in this case are pensioners of the Daily Mirror who learned that more than $900 million in pension and other funds may have been skimmed from Mr. Maxwell's Mirror Group Newspapers. They are not alone in their complaints. A lengthy queue of aggrieved creditors and employees is now forming around the remains of his tangled and massively indebted enterprises. Expect some time to elapse before the unsnarling is completed. But even at this early stage, the scope of the financial mess and scandal he left behind is enough to take your breath away.

The wreckage in his wake stretches to both sides of the Atlantic. The sinking New York Daily News, which he owned, is now under Chapter 11 bankruptcy protection in New York. Court-appointed administrators control the media mogul's private holdings in London. His offices have been searched for assets that allegedly have disappeared from his companies. Last week bankers were reeling from the news that funds from Mr. Maxwell's publicly held companies, Mirror Group Newspapers and Maxwell Communication Corp., to which the banks had lent millions, apparently have been secretly diverted to the foundering private companies now under control of the court-appointed administrators. Now it appears that the funds were also used to prop up stock prices of his publicly held companies. The count is still under way but the current estimate is that Mr. Maxwell went down at sea last month leaving behind an empire also drowning under a $4 billion debt burden.

Robert Maxwell did not do all this damage by himself. The former Labor member of the British Parliament eventually was the owner of more than 400 companies and several major publications around the world. His flamboyance and unslakable appetite for acclaim and commerce were aided and abetted by a less than vigilant British regulatory system and a prim and proper bevy of corporate officers and bankers who apparently were only too eager to help him play with other people's money so long as they got their cut. The damage assessment must be far-reaching to capture the full extent of all Mr. Maxwell did so that there can never be a recurrence. And in the process of gaining a full measure of Mr. Maxwell, his accomplices should be required to give a complete accounting of themselves as well.

— THE WASHINGTON POST.

Deregulation Is Working

Ten years ago, proponents of airline deregulation in America were promising something better, not waves of bankruptcies, congested terminals and fares of dizzying complexity. Has the grand experiment backfired? No. There are, Heaven knows, some awful horror stories. But, over all, deregulation has mostly done just what it was supposed to do, giving most air travelers more flights, more convenient schedules and substantially lower fares.

Bankruptcies are worrisome — especially of carriers like Pan American and Eastern. If they continue, passengers will eventually be left prey to monopolistic airlines charging exorbitant prices. But consolidation so far has not hurt travelers and it probably will not, if five or six major domestic carriers survive. For every Midway or Pan American that has departed, a USAir or Delta has taken its place.

According to a recent study of thousands of flight schedules by Clifford Winston and Steven Morrison, economists at the Brookings Institution, the number of airlines competing on typical routes has risen by one-third under deregulation. That is why fares are now 20 percent below what the government would have set under its old formula. And that puts about $6 billion in consumers' pockets each year.

Even so, some travelers insist, the new hub-and-spoke system has created havoc by replacing nonstop flights with circuitous one- and two-stop routes. They flaunt awful anecdotes but, here, they are misleading. In a new study, Robert Gordon of Northwestern University shows that hub-and-spoke schedules have added more nonstop flights than they have eliminated. And there are more convenient options for nearly every traveler.

Some conditions have deteriorated under deregulation. Congestion is worse in terminals and on runways. Travel times are up by about six minutes per hour, or 10 percent. That is not devastating in the face of deregulation's great success: As prices have dropped, demand for air travel has boomed.

Besides, there is a straightforward cure for congestion, and it is not re-regulation. All airports need do is levy landing and takeoff fees to spread flights more evenly through the day. That is just what Transportation Secretary Samuel Skinner proposed last month.

Travelers, especially on business, have also been inconvenienced by annoying restrictions, like the requirement to stay over on Saturday night or to make reservations months ahead for super-discount fares. And airlines have eliminated many expensive frills, like macadamia nuts.

But after counting up all the pluses and minuses, the Brookings scholars conclude that travelers are better off, to the tune of tens of billions a year in lower fares and added convenience.

— THE NEW YORK TIMES.

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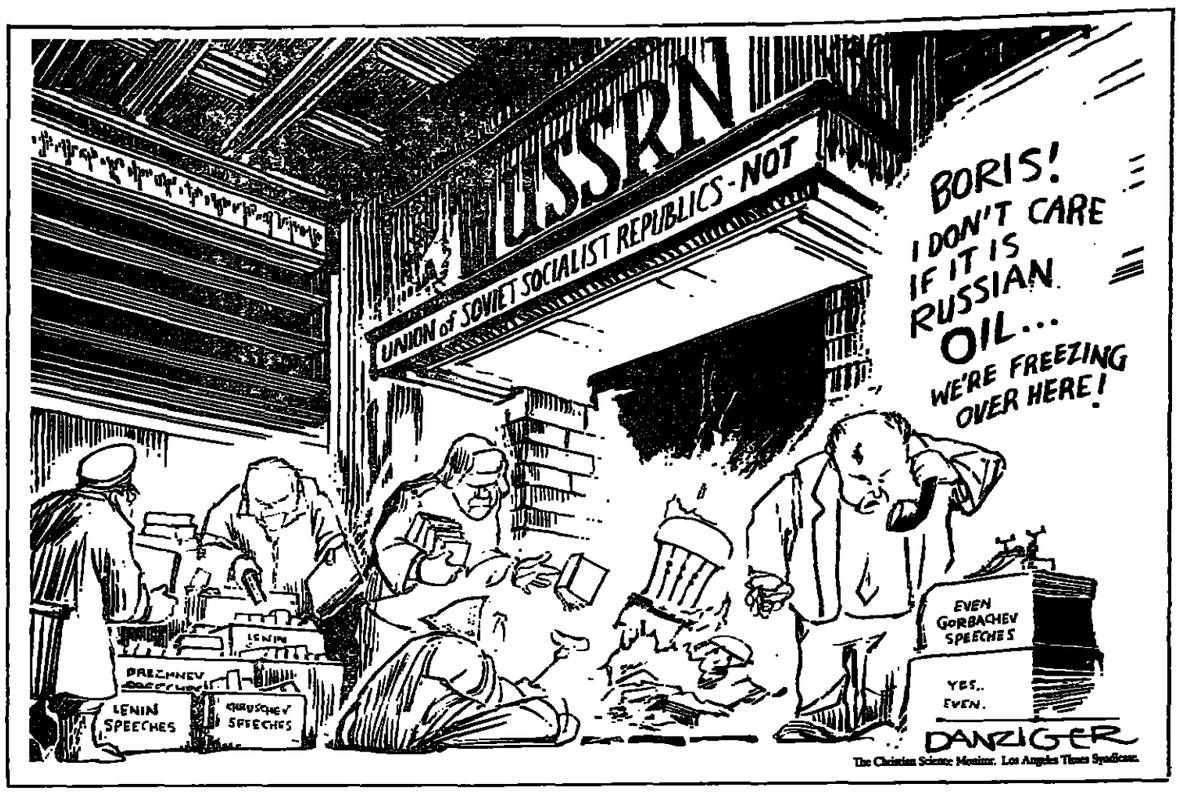


The Hostage Story Isn't Over Until Justice Is Done

By Haynes Johnson

WASHINGTON — Americans love happy endings, and the final homecoming for the hostages provides one. Once again, images of rapturous faces of former captives reacting with stunned wonder at their sudden emergence from the shadows speak more eloquently than mere words.

So the yellow ribbons can come down now, and just in time to be replaced by Christmas decorations. It seems a perfect end to a terrible story that has dominated American life for more than 12 years, extended through three presidencies, taken the nation from boom to bust, encompassed the collapse of communism, the end of the Cold War and other dramatic events that profoundly reshape the world.

Except that this is not the end. That cannot happen until America comes to terms with the hostages, demonstrates that it has learned the lessons of this long ordeal and finds a way to hold those responsible accountable. That last will be the most difficult. It is also the most critical.

No sooner had Terry Anderson stepped before the cameras to close the circle on the hostage saga than long-suppressed accounts of the horrors inflicted on them began appearing. These are worse than could have been imagined. The hostages suffered much more than cruel and unusual treatment; they were victims of atrocities on a scale that rivals anything since medieval torture mills.

Chained, isolated, blindfolded, savagely beaten, starved, frozen, kept in a state of perpetual darkness, they were denied even the most rudimentary care that is supposed to be the lot of any prisoner of war. They were not even combatants; they were prisoners of chance, and of mindless terrorism.

Two of those most recently freed, Alann Steen and Joseph Cicippio, will carry scars from that experience for the rest of their lives. Doctors say Mr. Steen suffered permanent neurological damage after he was kicked in the head, while Mr. Cicippio suffered permanent frostbite damage to his hands and feet as a result of being chained to an exposed balcony during winter weather. He continues to experience dizziness and disorientation after he was knocked unconscious by a blow to the head.

It is impossible to read these accounts without experiencing deep, primal feelings of rage — and thirst for revenge. However long it takes, the United States must continue to do everything in its power to bring those responsible to justice by whatever means necessary.

Admittedly, this will not be easy. But the United States does have options. It can and should make clear to the surrogates of terrorism — the Iranians, Syrians and Libyans among them — that they can expect no advantages from economic relations with America until the perpetrators of these terrorist acts are delivered to proper authorities. It can, and should, bring to bear all possible pressure on other nations who deal with these states. It can, and should, reserve the right to strike at these outlaw terrorists wherever they can be found.

Beyond these immediate goals, the entire hostage episode provides important lessons for U.S. policymakers and the public. The varying ways in which the Carter, Reagan and Bush administrations responded to the hostage crisis are instructive.

The Carter administration, the first to face this problem, permitted the hostages to dominate virtually everything else to such an extent that it literally became true, as the television programs of the time put it, that all America was held hostage. After rejecting the use of force, the Carter administration then made a fateful mistake by sanctioning a military rescue mission that did not have the necessary guarantees of success. The humiliating disaster of that Desert One mission only encouraged more hostage taking.

The Reagan administration carried the disasters to new dimensions. It talked tough ("We make no concessions, we make no deals") and acted weak by secretly trading arms for hostages, thus rewarding the hostage takers and ensuring even more captives.

The Bush administration has acted the most skillfully by far and has, finally, reaped what appears to be the most satisfactory conclusion. It deliberately refrained from Reaganesque rhetoric or sanctioning the childish cowboy tactics once used by the likes of Oliver North. It applied political and diplomatic pressure and did not heighten public expectations for a breakthrough.

Through its response to the Gulf crisis, the Bush administration also demonstrated that it was prepared to use full military force if necessary. At the same time, in another departure from the Reagan approach, it worked through the United Nations to seek a solution.

Now that has been achieved, to the relief of the nation. But the final solution has yet to be struck.

The Washington Post.

Keep the Hammadis and Hold Firm Against Terror

By Patricia Stethem

The writer is the mother of Robert Dean Stethem, who was killed by the hijackers of TWA Flight 847 in June 1985 in Beirut.

WASHINGTON — It has been widely reported how Giandomenico Picco, the United Nations special envoy, spent weeks negotiating the release of six Western hostages from captivity in Lebanon. Much more important to the Stethem family is the fact that Mr. Picco spent last week in Germany, and rumors have it that he discussed possible leniency for the Hammadi brothers, who are imprisoned there.

It is said that the group holding the last two Western hostages in Lebanon — two Germans — would look favorably on such an agreement and that it would help get the Germans released.

After his arrest in Frankfurt airport on Jan. 13, 1987, Mohammed Ali Hammadi was convicted for possession of explosives, for hijacking a U.S. commercial passenger airliner in Athens — TWA Flight 847, on June 14, 1985 — for beating and holding passengers aboard that flight, and for the murder of our son, Petty Officer Robert Dean Stethem of the U.S. Navy.

Mohammed Ali Hammadi and his accomplice took Robbie to the cockpit of the plane and beat him brutally for as long as he stood. When he collapsed, one hijacker took the armrest of a seat — it still had screws sticking out of it — and beat him more. Then they shot him and threw his body onto the tarmac at Beirut airport.

The German government and judicial system placed the lives of its officials at great risk to bring this criminal to justice. A competent panel of judges sat through a long and costly trial, gave the defense every consideration, and in the end sentenced Mohammed Ali Hammadi to life in prison with the very strong recommendation that he never be considered for parole.

Before anybody begs for leniency for this person, reflect back to June 1985 and those gruesome television news reports of the passengers' 17-day ordeal. Before anyone urges his release, sit down, read and comprehend the opinion of the chief judge in this case. The panel of judges heard all the evidence and left no stone unturned. They made a judgment that they felt was morally correct.

Not only did the accused deserve life in prison without parole, in the eyes of many he deserved the death sentence. In the United States his crime would be punishable by death.

Not only did the judges do what was correct, they let it be known that this was the best judgment possible for society and the world at large.

Those who so easily say "Set them free" lack the knowledge and feelings that this tragedy brought the Stethem family, and have never felt the pain of losing a loved one in such a horrible, cold-blooded way. That pain remains — in fact, it grows at the very mention of the killer's release.

No one aware of the gruesome details of this incident could morally believe in the release of Mohammed Ali Hammadi, a criminal of the very worst kind. Consider his own words: "I am willing to be a martyr and sacrifice my life for our cause." Words of this sort were heard over and over during the hijacking.

When arrested, he was carrying a highly explosive liquid on public transportation in Germany, indicating that another terrorist act was planned.

Releasing this man would be an immoral act against the Stethem family and all those who suffered pain and horror at his hands. The family believes in the German judicial system. The German government could not conscionably release him without undermining its judicial system, and judicial systems everywhere.

Anything less than keeping this disgusting individual behind bars would put in jeopardy all those involved in his trial. The world should never disregard the consequences of such a release or the consequences of granting terrorist demands.

The Washington Post.

THERE is a hostage whose family does not know whether he is alive or dead. Alec Collett, a British-born, New York-based journalist, was seized in Beirut on March 25, 1985, while on assignment for the United Nations Relief and Works Agency, by gunmen who said they belonged to a pro-Libyan group called the Revolutionary Organization of Socialist Muslims.

In 1986, the organization released a four-minute videotape showing the body of a man dangling from a scaffold. The figure's receding hairline and strong jaw resembled those of Mr. Collett, but it was impossible for his family, the State Department or the Foreign Office to draw conclusions from the videotape.

If he is still alive, Mr. Collett is 69. He has two adult children from his first marriage. His American wife Elaine, and son Karim, 11 when his father disappeared, live in New York City.

— Eileen Lottman and Hannah Pakula, writing in The New York Times.

British Libel Law Sustained Maxwell

By Anthony Lewis

BOSTON— How could he get away with it for so long? That is the question posed by the collapse of Robert Maxwell's empire so quickly after his death.

For years he ran what amounted to an international confidence game, borrowing more and more, covering up his accounts. An official British inquiry in 1971 found him unfit to be in charge of a public company. Yet politicians honored him and newspapers printed his boasts, hollow though most of them turned out to be.

The Financial Times said in London last week that Mr. Maxwell was not some unimportant figure; his operations affected large interests and many people. "How was it," the paper asked, "that he was able to play such a role, for so many years, with such apparently cavalier disregard for the normal standards of probity? How could some of the world's leading banks lend so much money to him?"

It was British corporate regulatory law that failed, the Financial Times said. Yes, it did. But there was another reason why Mr. Maxwell escaped proper scrutiny for so long: Britain's stringent libel law, which makes it dangerous to write critically about a scoundrel like him.

Whenever anyone suggested wrongdoing, Mr. Maxwell sued. He brought 21 libel actions against the authors and others connected with two biographies of him. He sued the BBC, Rupert Murdoch, the editors of half a dozen English newspapers.

The threat of a libel suit is so potent in silencing critics in Britain because the law is so favorable to libel plaintiffs. Nearly everyone who sues the press gets a cash settlement or wins a jury verdict at trial — and keeps it on appeal.

Two points of law are critical. When a plaintiff claims that a newspaper has published a false statement about him, the paper has the burden of proving it true. And there is no need for the plaintiff to prove fault, such as negligence, on the publisher's part: if he made a mistake, however innocent, he pays damages.

American law is to the contrary. The burden is on the plaintiff to prove that a statement about him was false. And he must show that there was some fault on the paper's part in publishing it.

The U.S. Supreme Court laid down those rules of libel in 1964, in the case of New York Times v. Sullivan. It held that public officials must meet a difficult test when they sue, proving that a statement about them was published with knowledge of its falsity or in reckless disregard of the truth. The court later extended the requirement to public figures like Mr. Maxwell.

Justice William J. Brennan Jr., writing for the court in the Sullivan case, said the First Amendment protected the right of citizens to speak and write critically about their governors. In Britain, which has no written constitution, the law shows no such concern for the right to criticize the powerful.

One lesson of the Maxwell affair, therefore, is that Americans can be grateful for the constitutional rights that prevent suppression of probing journalism. The system is far from perfect. Powerful individuals and companies still use libel as a repressive weapon. But criticism is much freer than in Britain.

The difference in the two countries' law has lately led a number of libel plaintiffs to sue American publications in Britain. Mr. Maxwell sued the New Republic in England this year over an article about him, although the magazine has only 135 subscribers there.

When a British court awards damages against an American company, American courts will ordinarily enforce that judgment — order the company to pay. But in a case now pending in New York, interesting objections have been raised to thus enforcing a British libel judgment.

India Abroad Publications, a New York corporation, carried a report early this year that a Swedish newspaper had named an Indian public figure close to the late Rajiv Gandhi as involved in an arms scandal. It was sued for libel in Britain, where it maintains an office, and ordered to pay substantial damages. Now the plaintiff is asking the New York courts to enforce the order.

Lawyers for India Abroad argue that the British judgment should not be enforced because the concept of making someone pay damages for libel without showing any fault is repugnant to American public policy, as reflected in both the Constitution and New York law.

The question, an important one, is whether American publishers can be intimidated, as the British press has been, by the threat or the reality of British libel suits.

The New York Times.

The Winner Faces a New Challenge

By Stephen S. Rosenfeld

WASHINGTON — Listen to the creak of history as the news and our memory play. The independence referendum in Ukraine drove a stake into the heart of the old Soviet Union, which had seemed a geographical and political constant. And Americans have observed the 50th anniversary of the Japanese attack at Pearl Harbor, which launched the United States into world war and the global role it has taken since.

One of the powers (the Soviet Union) that won World War II and emerged "great" from it is being humiliated, exploded from within and cast into, yes, the dustbin of history. But the other (America) is hardly reaping a full measure of contentment from prevailing over its old adversary in terms of both ideas and power. On the contrary, we Americans are feeling distracted and stung by the frustrations of dealing with a rebuilt, economically dynamic Japan. Having won one competition, we fret about whether we can keep up in another.

The old Soviet Union was hostile and dangerous but controlled by leaders who came to appreciate a certain stability in political relations with America. Confirming and building on that stability was what U.S. international policy was basically about.

Now the Cold War's defining sense of political and nuclear confrontation has faded. Nostalgically, many Americans glance back and indulge the question of whether the old Kremlin was not a preferable global partner. It was not. It was brutal and evil. But it is also a fact that the new whatever-it-is over there, although friendly enough, seems disconcertingly out of the control of anybody. Those Soviet nuclear weapons trained on America were fearful but less alarming in a particular sense than the "loose nukes" strewn about the post-Soviet landscape.

Under enlightened American tutelage, Japan became what almost everyone considered a stable liberal democracy, economic model and stout friend and ally. The transformation is celebrated as a premier American feat. But the passing of the Cold War has bared, as Richard V. Allen told the Heritage Foundation last week, "structural, systemic differences so large and complex that they seem nearly insoluble." Many Americans perceive Japan as perhaps the largest threat, and some even see it as an enemy that they are going to have to "fight" again before it's over. Except that this time the fight would be primarily on an economic battleground and from a position of growing industrial disadvantage.

The position of Mikhail Gorbachev, the Soviet president, verges on tragic. Here is a heroic, historic figure who is being made irrelevant and dispensable by the relentless progress of a political revolution that he himself blew to fire. It is now out of his hands, and he is reduced to warning of imminent "catastrophe." His words, far from being received as prescient calls to emergency action, are widely dismissed as the overdone alarms of a sore loser.

No similarly towering figures are discernible in Japan. The Japanese have come to be special: super producers, stingy consumers, global in economic reach, provincial in outlook. They have got there by a political process so seamless, contrived and resistant to individual personality that most Americans have trouble at any given moment identifying any of the political leaders in Tokyo.

Americans see democracy as an instrument of social diversity and individual expression, and cheer it on in Japan. But increasingly we fall to worrying that the degree of consensus on national goals and policies that Japanese democracy has produced is dangerous to our economic health.

This, you recall, was to be the American century. But as the Soviet Union declines, Americans wonder whether there was not some better fate for the "evil empire" than fragmentation into prideful and contentious ethnic pieces, some better replacement for the one-party Communist state than a near vacuum of both authority and responsibility, and some better sequel to the miseries of socialism than an economic free-fall.

As Japan rises, Americans ask how well fitted out they are in economic and social capacity to thrive in a world of democratic and free market states. The United States created that world after World War II and saw it through to the days of Communist and Soviet collapse. So it is that at what might have been a transcendent moment, we are having our own little crisis of confidence. But surely we can make it pass.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: A Free Republic?

PARIS — A Republic is supposed to be a form of government under which the people are more free than under an Empire. But such is not the nature of the Brazilian Republic. When the news of the death of Dom Pedro, the ex-Emperor of Brazil, reached Rio, the flag was displayed at half-mast. The police ordered the flags to be hauled down. The discovery that the national flag cannot be used to honor the memory of one of the most upright and intelligent statesmen Brazil has ever known may induce Brazilians to ask whether the price they pay for a Republic is rather too high.

1916: 'Friendly' Protest

NEW YORK — Following is the text of the second protest made to Germany by the United States: "The United States Government has learned with the greatest regret the decision of the Imperial German Government to deport a part of the Belgian civilian population to work in Germany. The Government is compelled, in a friendly spirit, but most solemnly to protest this action, which is in contradiction with the principles of people's rights, which have long been recognized by civilized nations in their relations with noncombatants in occupied territory."

1941: Roosevelt on Radio

WASHINGTON — [From our New York edition:] President Roosevelt warned the American people tonight [Dec. 9] that the United States must face the war machines of Germany and Italy as well as Japan and that it will be a long hard struggle but "we are going to win the war and we are going to win the peace that follows." In a message heard by the largest radio audience in the history of the nation the President grimly acknowledged that "so far the news has all been bad," but he has faith in the ability of the people to throw off the first shock and join in the fight for victory.

OPINION

An American Middleman Can Only Block the Peace

By William Safire

WASHINGTON — If President George Bush can get the Arab states to negotiate directly with Israel, the talks will make progress. If he lets Secretary James Baker become the middleman carrying messages and finally recommending the settlement — then the "peace process," a phrase coined by Henry Kissinger nearly two decades ago, will fail.

So far, despite the great debt of survival owed to America by the Arab states, Mr. Baker has not been able to arrange talks other than "through" the United States. That is because Arab leaders believe that the Americans can pressure the Israelis to give up the West Bank, the Golan Heights, and in the end part of Jerusalem.

Only when the light dawns on Arabs that the only way any territorial compromise can be achieved is to stop using U.S. intervention as a crutch — and to deal directly, face to face, with the nation they cannot defeat or forever ignore — will business begin. Israelis are ready to deal with people who are ready to deal with them.

Apparently the Arabs — especially the Syrian dictator, Hafez Assad — are not ready. That explains the fussing about venue: The Israelis want home-and-home meetings, as befits equals, while Arab leaders insist on some far-off setting using America as permanent middleman.

President Bush is acceding to the Arabs' wishes. His invitation to Washington, presented to Israel as an insulting summons, contained language showing that the United States would tilt toward Syria on stripping the high ground of the Golan from Israel's defense.

And on the West Bank, America's meddling middlemen have an opening deal in mind as a first step toward imposing a grand bargain that American soldiers would be forced to police. In return for Israel giving up the right to live on land that both Arabs and Israelis claim — "freezing settlements" is the phrase — Secretary Baker will arrange an end to the Arab boycott and throw in the sweetener of repealing the United Nations's Zionism-is-racism resolution.

There is no deal there. It is a dead end. The economic sabotage is unlawful, an act of war to be condemned and not treated as a bargaining chip; and the UN resolution is an abomination, a moral burden to the Arabs and the old Soviet bloc. Israel would be crazy to hand over the key to its territorial security for the cessation of a couple of evil deeds. Yet Mr. Baker persists in pretending that this guaranteed nonstarter is the basis for a serious negotiation.

Thus, the United States has been drawn in as a middleman and blocking conduit, thereby undermining the goal of encouraging direct talks; and America's opening intercession is a loser. Is there a way to get this back on the track?

Fortunately, three pressures are pushing in the right direction.

In Israel, the infusion of brainpower from the old Soviet empire and the strength of racial diversity brought by the Ethiopian Jews offer new confidence and a renewed sense of mission to the Jewish state.

Long term, the wave of immigrants is a great economic and diplomatic asset; nearly a half-million people have been absorbed, live under roofs, and two-thirds have jobs. Short term, with 200,000 more expected this year, immigration is also a headache; in November's elections, most unemployed arrivals will vote against the party in power, putting Likud under internal pressure to seek peace progress.

In the United States, politics also can be a force for good sense. Candidate Bush wants a deal to run on, which he cannot get by bullying an isolated Israel. Mr. Bush will want to claim that he has accomplished the start of long-sought direct negotiations.

In the Arab world, if Syria remains bellicose, a joint venture on the Golan can await Mr. Assad's successor. But Palestinian Arabs are at last eager to attain the autonomy that the Palestine Liberation Organization disdained at Camp David long ago. Tired of being pawns, Palestinians will reach for more self-determination in association with Jordan and cooperation with Israel than can be found in any Arab dictatorship.

A quartet of self-ruling Palestinian cantons in a barrier-free West Bank is the way to Arab dignity and Israeli security. The world can help by embargoing arms to the area, but interference with direct dealing will only botch the prospects for peace.

The New York Times.

Necessary Pressure

SECRETARY OF STATE James Baker has been dragging the unhappy campers of Madrid kicking and screaming to Washington for the second round of Middle East peace talks.

The very issuance of the invitation by Washington provoked discussions between Syria and Egypt, and Syria and the Palestine Liberation Organization. Washington's pressure brings the probability of talks between Israel and Palestinians on limited autonomy and between Israel and Syria, Jordan and Lebanon on peace and mutual security.

The good news is that the United States is using its large bank account of influence in the Middle East to bring these parties together. The bad news is that this type of outside pressure is still necessary. The process that started in Madrid has not yet taken on a momentum of its own. That will have to occur for the negotiations to bring permanent progress toward peace.

— The Baltimore Sun.

LETTERS TO THE EDITOR

Now, Look to the Iranians

For the first time since the seizure of the U.S. Embassy in Tehran in November 1979, no American is being held hostage either in Iran or Lebanon. While there is every cause for joy, it is prudent to bear in mind that the people responsible for instigating those policies that held the United States and its Western allies hostage to their whim remain in positions of high office within the so-called Islamic Republic of Iran.

It is also prudent to bear in mind that the underlying reasons for their having resorted to hostage-taking and international terrorism, such as a strong sense of insecurity, have been exacerbated by widespread unpopularity. This is largely a result of futile warmongering and the worst economic crisis in Iran's modern history, imposed by sheer incompetence and mismanagement.

In a candid editorial *("Thanks to Iran and Syria?" Dec. 4)*, The New York Times has correctly drawn attention to some of Iran's other sinister activities. I strongly agree with its conclusion that the West should make the restoration of normal relations contingent on genuine internal political reforms in Iran.

With Iran's apparent exoneration from Western blame for the Pan Am 103 tragedy, and with the release of most Western hostages, it is crucial that the Islamic authorities not be given carte blanche to deal as they see fit with the suffering people of Iran. (No sooner had the freed hostage Terry Anderson reached Damascus than Tehran authorities announced the execution of several newly arrested "anti-revolutionaries and monarchists.")

I am most hopeful that the release of all hostages should mark the end of Western governmental cynicism regarding the plight of the Iranian people. The international community, in particular the United States, no longer has any reason to be reticent about voicing its uncompromising support for political freedoms and human rights in Iran.

REZA PAHLAVI.
Washington.

Drones and Spin Doctors

Regarding the report "Mr. Bush, Meet 'Joe Sixpack'" (Dec. 2):

Susan Molinari, a New York state representative, is quoted as saying: "The White House has got to ... communicate the president's real concern. The mood of the people shifts rapidly ... We have to be willing to intercept it immediately. That's where we've lost our way."

No, Ms. Molinari. Economic recession and its consequences are not a matter of "intercepting" moods and putting favorable spin on them. This is one national issue that will not be solved by inner-circle public relations, Willy Horton-style finger-pointing, or vigorous flag-waving.

P. J. HECKEL.
Rome.

Though it has become almost chic to speak of America's decline, it is sad to see Americans so badly missing the point. The truth is that American democracy is sick and perhaps beyond repair because Americans are simply too lazy to hold the political process accountable to them. Americans — or those few who vote — happily accept a handful of spoon-fed television images upon which to base their electoral decisions.

Americans don't read. They don't research issues. Worst of all, they don't run for public office because they don't want to be tainted by the "political process."

American democracy was founded on the principle that a nation could be governed by the common people because they were capable of reasoning, and thus arriving at the truth. The challenge of the 1990s will be for the present generation to forget about feeling good and display some concern for knowing the truth.

WILLIAM E. LAPE.
London.

Who's a Yankee?

Regarding "Dixie Is Shrinking, but the U.S. South Is Holding Up Fine" (Dec. 3):

John Shelton Reed's question, "Where is the American South?" reminds me of the story that asks, "Who is a Yankee?" Indeed, it depends on whom you ask. To a European, a Yankee is one who comes from the United States. In the United States, a Yankee is from the North. To a Northerner, a Yankee is a New Englander. And to a New Englander, a Yankee is someone who comes from Vermont and has apple pie and cheese for breakfast!

WILLIAM E. WILSON.
Birmenstorf, Switzerland.

Growing Up in South Africa As One of Ziporah's People

By Dominique Bauthier

PARIS — I was one of Ziporah's people.

Today, Nadine Gordimer receives the Nobel Prize in Literature for works, including the novel "July's People," that describe the intensity, the complexities and the nuances of South African life in ways defying cliché. When I think about July — a black domestic who risks his life

MEANWHILE

and antagonizes his family to provide shelter for his white employers when revolution breaks out in South Africa — it takes me back to my earliest childhood.

Ziporah Motsepe came to work for our family when I was born. She stayed until we left South Africa four years ago.

She was a quiet perfectionist whose boundless energy and implausible strength belied her small size. A constant and comforting presence, she lived with us through various moves, including my mother's divorce and remarriage.

Over the years Ziporah, a selfless friend, developed an intimate knowledge of our family and our lives. But we remained remarkably ignorant of her life "at home," several hours from Johannesburg, in Bophuthatswana. She was able to return there only once a month.

When she had babysitting duty, she would lie next to my bed until late at night, and we would talk on and on. She would speak quietly of her two daughters, particularly Margaret, just a little older than I, and of her hopes for the girls' future. Perhaps because I treasured Ziporah's attention so much, it seemed unjust that I got such a large share of it — especially compared to Margaret.

Ziporah must have suffered terribly from the separation. But it never stopped her caring for us, offering us — me, my brother and sisters — another mother.

On those nights when my parents went out, Ziporah would surprise us with our favorite dishes — fried bananas, roast pumpkin — then feign utter indifference in the face of our delight.

She would ask all about our schoolmates, and scrupulously remember their names. When boyfriends came by, she would just look at them — and laugh. I never could work out what the joke was.

We could tell her anything and everything, and we did. But we knew the limits of her approval. She would remind us over and over to return calls, nag us to phone "Oma," our grandmother, and lecture us on the importance of being tolerant. Yet she never crossed the line from gentle scolding to criticism or judgment.

I went away to university, but it was always a pleasure to return to the welcome of home and Ziporah.

When I graduated, I decided to miss the ceremony to gain two weeks for travels around Europe. I didn't hesitate about this — until I spoke to Ziporah and heard the disappointment in her voice. Prouder than anyone of my achievement, she was intent on seeing me in my "black robe."

She had told me about coming within a year of finishing her own schooling, only to have to give it up to help support her family. She had longed to become a nurse or a teacher and hoped that her children would get the education and the opportunities she had missed.

We were all thrilled when, already in middle age, Ziporah met and married an elderly gentleman. Yet happiness eluded her again. Barely a year later, while taking the train home to pay a Christmas visit to his family in Soweto, her husband was murdered for his watch.

When my family decided to leave South Africa to live in London, my parents built Ziporah a house for her retirement. Finally she would have time with her own family.

Shortly before the departure date, Ziporah sat my parents down on their bed and made a speech, which she had obviously prepared. Up to then, my mother had dealt stoically with the practicalities of moving rather than thinking about leaving the warmth and space of her childhood Africa. For the first time, as Ziporah offered her thanks and bade them farewell, my mother cried.

We decided we couldn't cut all our links with South Africa. My parents bought a house on the coast for family reunions at Christmas. Every year Ziporah came out of retirement to join us, to catch up with her "other children." Every year, as we left, she would promise to be there the next.

But this Christmas Ziporah won't be with us. Early this year, after returning from the coast, she had a stroke and was left paralyzed.

I have never cried as hard as when I heard that news. My childhood feelings of guilt for having kept her from her family flooded back. I asked myself whether she had worked too hard for us over Christmas. I felt grief at the thought of her enormous, nonstop energy being stilled, just when she was finally able to share it with her family. It seemed tragic that a woman of such bustling efficiency would now become dependent on others — particularly Margaret, who had to give up a secretarial position to care for her mother and her own two children.

Our story does not fit comfortably into the conventional images of apartheid, into Western stereotypes of a nation divided — harshly, angrily — between black and white.

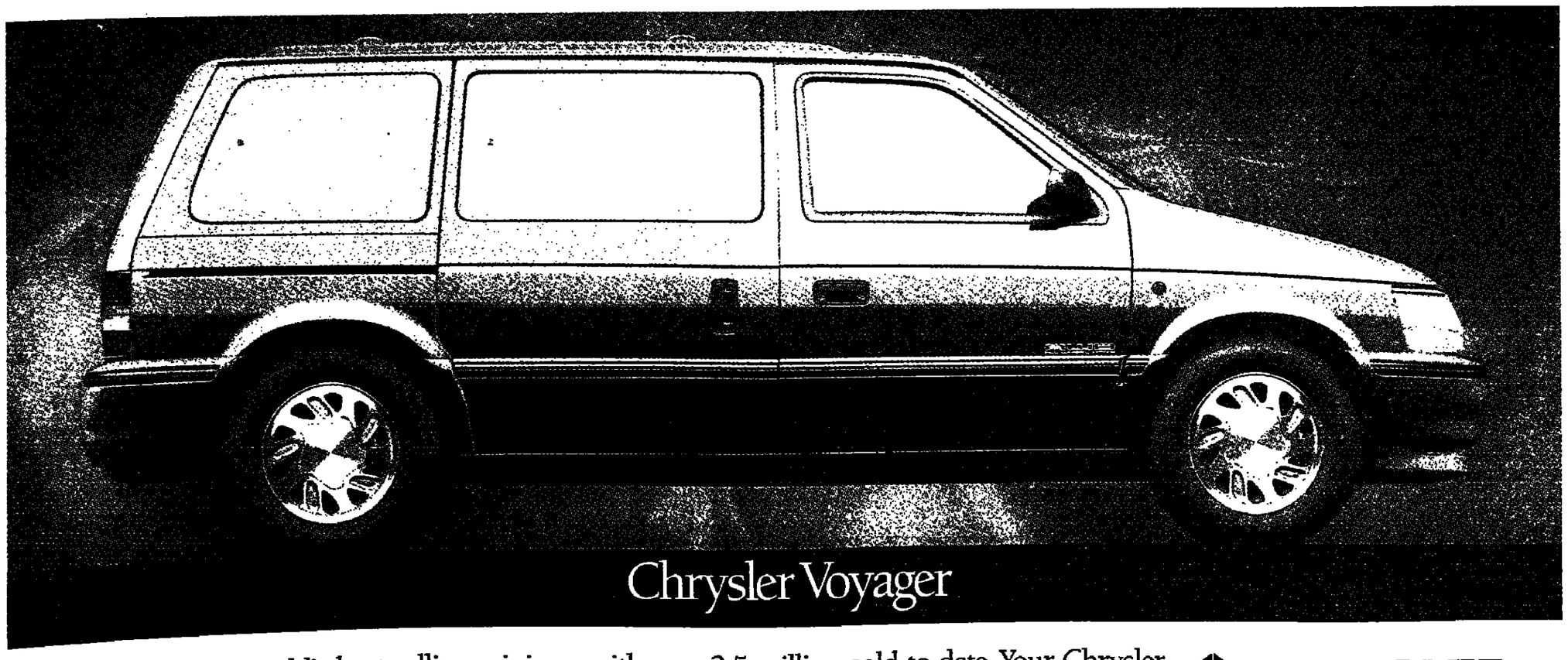
Nadine Gordimer takes us beyond such stereotypes. I remember reading her books on cold, dry winter weekends. At my liberal English private school in Johannesburg, we were more likely to read Dickens than Gordimer. But her writing, with its keen perceptiveness and vivid descriptions, invariably comforted me, and made me think.

She tells a story that could have been mine — and Ziporah's.

International Herald Tribune.

An American Revolution On A Slightly Different Scale.

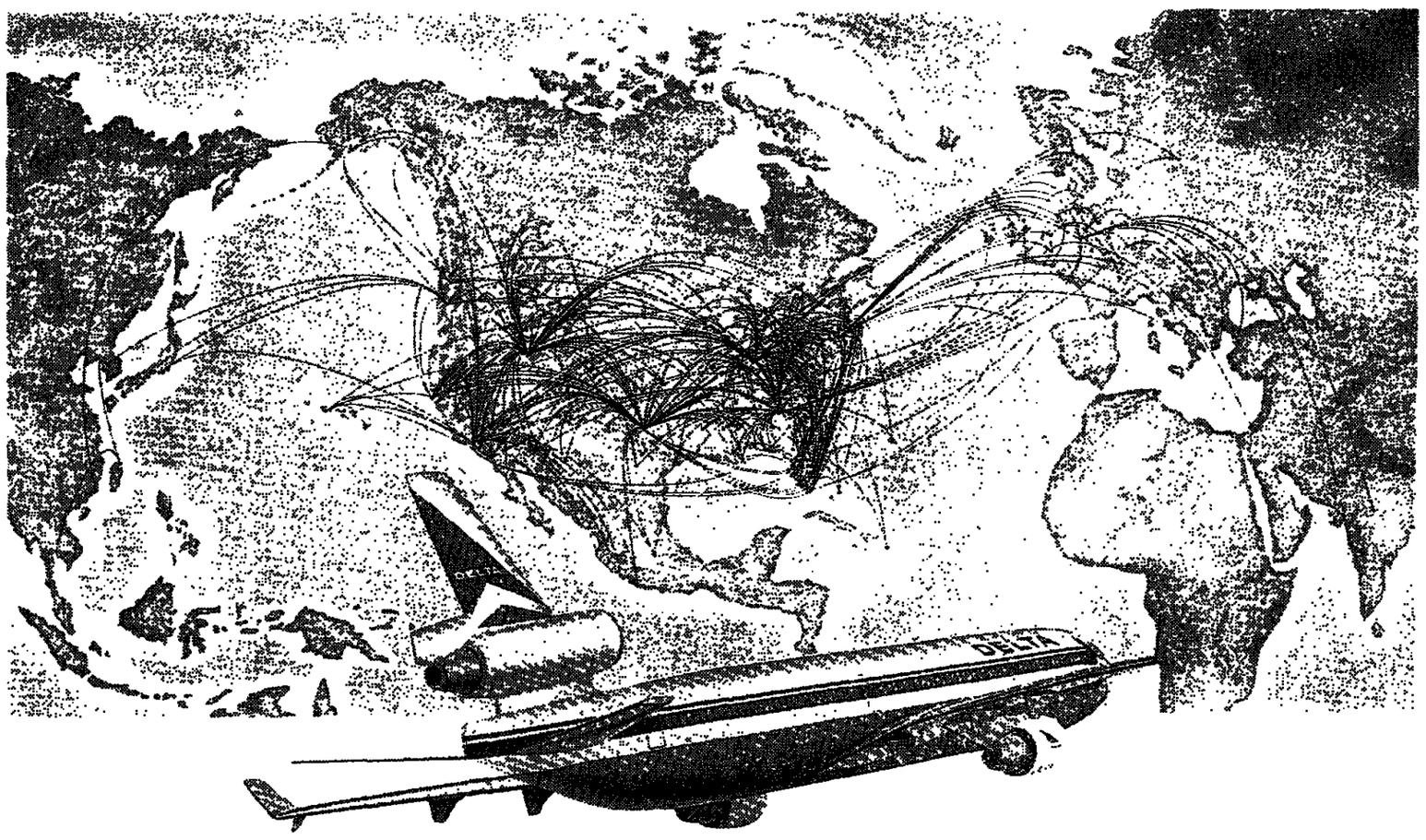
In 1984, Chrysler Corporation introduced a new concept that revolutionized the automotive world. The minivan, a vehicle that combined the roominess and versatility of a standard sized van with the handling and maneuverability of a passenger sedan. Over the years, Chrysler has continued to refine the original concept. Today, the Chrysler Voyager features the first standard driver's side air bag of any minivan in the world. Also now available are microprocessor controlled anti-lock brakes and a technologically advanced all-wheel-drive system. The Voyager's list of standard equipment is comparable to that of a luxury sedan. And the Chrysler minivan still seats up to seven people or accommodates an amazing amount of cargo. Not surprisingly, the Chrysler



Voyager is the world's best selling minivan, with over 2.5 million sold to date. Your Chrysler dealer is ready to give you a test drive. The Chrysler Voyager. It could revolutionize your thinking.

CHRYSLER

Welcome to the new world of Delta.



From left, Delta Flight Attendant Bonita Caringola, First Officer Timothy Therrell, Captain Larry Bacon and Flight Attendant Stephanie Allen

Now that Delta Air Lines has begun greatly expanded operations across Europe, the Middle East and Asia, the world has become smaller, *and the atmosphere warmer.*

With new transatlantic nonstops and a European hub in Frankfurt, Delta now flies from Austria, Belgium, Czechoslovakia, Denmark, England, Finland, France, Germany, Greece, Hungary, India, Ireland, Israel, Italy, the Netherlands, Norway, Poland, Portugal, Romania, the Soviet Union, Sweden, Switzerland and Turkey.

Wherever we fly, Delta is dedicated to bringing travellers the best service in the sky. *Service that's more convenient,* and gives you more travel choices. Tendered with the special warmth and professionalism the people of Delta are known for.

First across the U.S.A., first around the world.

With Delta, you enjoy the convenience of flying to any of over 240 U.S. destinations with one ticket, on one airline system.

And you have more travel choices, because the Delta network serves more cities within the U.S. than any other airline. In fact, Delta's system is first in flights worldwide, with more than 4800 flights a day to over 300 cities in 33 countries around the globe.

A few other firsts.

As important as schedule and convenience are to travellers, they're *just part of the reason for you to* choose to fly with us.

Delta has the youngest and most modern commercial aviation fleet of its size in the world. As well as one of the most generous frequent flyer programmes. And our emphasis on service has earned Delta the best record of passenger satisfaction among major U.S. airlines for 17 straight years.*

Have your Travel Agent book you on Delta. Or call us direct.

And let us welcome you to Delta's world.

DELTA AIR LINES
We Love To Fly And It Shows.

*Based on consumer complaint statistics compiled by the U.S. Department of Transportation
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Welcome to Asiana
Fly Tomorrow

International Herald Tribune.

BUSINESS/FINANCE

FLY ASIANA TO SEOUL
BANGKOK 260-7700
LOS ANGELES 365-2000
TOKYO 5472-6600
SINGAPORE 225-3866
HONG KONG 523-8585
TAIPEI 508-1114

INTERNATIONAL STOCKS

It's Not Easy Being Green, But Some Investors Insist

By John Holusha
New York Times Service

NEW YORK — Some notes for ecologically minded investors: Mobil Corp. may be responsible for cleaning up wastes at 47 sites under the U.S. Superfund program, a fact not disclosed in the company's annual report.

A subsidiary of Amoco Corp. tried to install hazardous-waste incinerators on Indian lands, ostensibly to avoid state and federal emissions regulations.

American Cyanamid Co. releases four times as much toxic waste into the environment per $1,000 of sales as the average chemical company.

These nuggets of information — not denied by the companies involved — are in a series of environmental profiles being published by the Council on Economic Priorities, a nonprofit group in New York that monitors social policies of large corporations.

Nonprofit groups provide data on corporate environmental records.

The reports are intended to appeal to socially conscious investors and to encourage companies to minimize pollution.

The council's reports are part of a growing effort by public interest and environmental groups to examine and publish analyses of the vast amounts of environmental data the U.S. government has required companies to file in recent years.

Early next year, the Investor Responsibility Research Center, a Washington-based organization that conducts investment research for university endowments and pension funds, plans to publish statistical summaries of the environmental performance of the companies in the Standard & Poor's Corp. 500-stock index.

Both organizations sell their research but are operated on a nonprofit basis.

While not refuting many of the specific statements in the reports, the companies contend the documents distort their environmental performance by dwelling on past problems.

Other groups are digging into environmental data as well.

FRIENDS OF THE EARTH, for instance, issued a critical 112-page study of Du Pont Co.'s environmental performance in August in response to television advertisements the company has run that depict animals applauding Du Pont's decision to use double-hull oil tankers. The group said the Du Pont study was the first of a series of reports on what it calls "corporate environmentalism."

The new reports come in addition to annual compilations of toxic emissions issued by Citizens Fund, another public advocacy group. Industrial companies are required by the U.S. government to report emission levels for several hundred chemicals believed to be toxic, even if the emissions are within permitted limits.

Citizen Fund aggregates the plant-by-plant data submitted by the companies and characterizes the chemical as acutely toxic, cancer-causing or linked to birth defects. Since the data were first published three years ago, many major corporations, including Du Pont, Mobil and Monsanto Co., have announced programs to curtail their emissions.

The new reports go beyond toxic emissions to look into data concerning government enforcement actions and fines paid, Superfund liabilities reported in documents filed with the Securities and Exchange Commission, and published accounts of environmentally related incidents.

Alice Tepper Marlin, the director of the Council on Economic Priorities, said the reports came in response to requests by users of the group's other research services. "The environment has emerged as the No. 1 concern with much of our audience," she said.

Margaret Carroll, executive director of the Investor Responsibility Research Center, said investors were beginning to realize that sloppy environmental policies could hamper the financial performance of companies. "This is not so much a moral or ethical issue as one that potentially affects the bottom line," she said. "There may be indications in the data of future liabilities."

Stocks Fall, Bonds Slip On Clouded U.S. View

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks fell Monday as economic problems weighed on blue chips, and statements attributed to Treasury Secretary Nicholas F. Brady about the government's plans to stimulate growth quashed a rally in bonds.

The Dow Jones industrial average fell 14.67 points, to 2,871.64. Dragging it lower were declines in two market bellwethers, International Business Machines Corp. and General Motors Corp., and the dour mood led to late program selling.

An IBM presentation to analysts and reporters failed to impress the market. John F. Akers, the computer maker's chairman, said he was confident the company could achieve an 18 percent return on equity in three years, up from the current 14.5 percent. He also said the company planned to have sufficient growth and cash flow to continue to pay dividends to shareholders.

Frank Metz, the company's chief financial officer, said that despite weak results this year, IBM would not reduce its annual dividend from $4.84 a share.

But analysts remained leery. Donaldson, Lufkin & Jenrette cut its earnings estimates, traders said. IBM fell $3.875 a share, to $85.125.

Robert Stovall, president of Stovall/21st Advisers, said the analysts' meeting apparently did little to woo buyers back to the stock. "IBM made a long statement which was certainly not a growth statement."

General Motors, another market bellwether, sank to a new 52-week low of $27.50 before recouping to $27.625, down $1.375. Traders said the stock was at its weakest level since late 1987.

"You got some downside leadership," said Mr. Stovall. "Two of the market flagships of the past and, in some people's minds, the present, are at lows for the year."

For most of the day, bonds had been advancing because of the weak U.S. economy, which implied interest rates would decline. But a one-half point gain in the 30-year Treasury bond was chopped to 6/32 because of reports that Mr. Brady told Republican governors in Salt Lake City that President George Bush would push for an aggressive economic growth package early next year.

The governors said Mr. Brady

See STOCKS, Page 14

How to Account for Maxwell Scandal

By Erik Ipsen
International Herald Tribune

LONDON — Five weeks after Robert Maxwell fell from his yacht, with £550 million ($990 million) still missing, and with his own Mirror newspaper now referring to him as a "crooked tycoon," the biggest question is how a man with such an odious reputation was allowed to do so much harm to so many.

Many blame Coopers & Lybrand Deloitte, long-time accountants for most of the Maxwell companies. Others insist that the whole Maxwell fiasco exposes yet again the inadequacies of British accounting standards in general, standards that had already fallen into some disrepute.

Said a managing partner of a large British acounting firm weeks before Mr. Maxwell's demise, "Only those who are blind and deaf could deny that the state of financial reporting and auditing gives cause for concern."

In the case of the Maxwell companies, the warning sirens first wailed 20 years ago with the Department of Trade finding that Robert Maxwell was "unfit" to head a public company, that he was chronically unable to distinguish between his own funds and those of his shareholders.

"Professional people dealing with someone like Maxwell should be on their guard certainly," said Roger Adams, technical director at the Chartered Association of Certified Accountants. "But Maxwell had a reputation of throwing writs and injunctions at anyone threatening to criticize him."

Had Mr. Maxwell, however, been found unfit any time after 1986, he would almost certainly have been legally barred from being a director of a public company. "In 1971 there was no legislation to allow directors to be disqualified," said Pat Park, a spokeswoman for the Department of Trade and Industry. "In 1971, finding him unfit was the best we could do."

The Directors Disqualification Act of 1986 made it possible for the first time for the authorities to go one crucial step further, to bar a director for anywhere from two to 15 years.

Despite all the warnings, there is still no evidence that Coopers actually erred, especially as the wholesale looting of the Maxwell companies and their pension funds seems to have been a recent phenomenon, one that occurred after the last audits.

Accounting experts here say, however, that a combination of Mr. Maxwell's dubious reputation and a corporate structure that blurred boundaries between private and public companies, and vested so much power in the hands of a single man, should have raised more questions.

Nonetheless, a Coopers spokesperson, asked if in 20 years the firm had ever qualified any of its audits of any of the Maxwell companies, said, "Not that I'm aware of."

A key failing with the Maxwell empire was the extraordinary power wielded by Robert Maxwell himself.

"A prospective client company headed by a very dominant personality who doesn't share management responsibility, that is generally regarded as high risk," said Mr. Adams. "In fact, if you ask liquidators they will tell you it is one of their top 10 warning signs."

There, of course, Robert Maxwell was hardly alone. Men like Rupert Murdoch of News Corp., Roland (Tiny) Rowland of Lonrho and Lord Hanson of Hanson PLC have faced increasing criticism recently over both their highly centralized management styles and in some cases the quality of their financial disclosure.

In Mr. Maxwell's case, the concentration of power combined with the man's reputation for accounting sleight of hand should have raised questions.

Auditors, as one accountant said, are not paid to be whistle-blowers but merely to pass on the fairness and accuracy of the accounts. "You cannot go around telling people the company you are auditing is terribly managed," said an accountant.

Although the rules of client confidentiality, if nothing else, mandate that restraint, auditors can take other steps. They can, as Price Waterhouse did with Bank of Credit & Commerce International, privately advise the regulators of their reservations, and they can also raise objections — again privately — to the management of the company itself. Coopers apparently did neither.

To some extent Coopers has fallen victim to the "expectations gap."

"There is a big difference between what the auditors do and what people think they ought to do," said Nigel Pease, secretary of the Cadbury Commission, a group set up in May to examine corporate governance issues.

High on almost everyone's list of changes, including the commission's, is one that might well have checked Robert Maxwell's most egregious abuses — the creation of audit committees comprising only a company's nonexecutive or outside directors. "We have been very strong supporters of the idea," said Henry Gold, technical director of the Institute of Chartered Accountants.

Thus far, however, the government and a number of corporate leaders have opposed making such bodies mandatory as they are for companies listed, for instance, on the New York Stock Exchange.

Another German Bank Covers for Soviet Loans

By Richard E. Smith
International Herald Tribune

FRANKFURT — German banks, the largest lenders to the former Soviet Union, are stocking up their reserves to guard against a breakdown in payments even as they keep playing down the dangers.

Martin Kohlhaussen, chairman of Commerzbank AG, said Monday at a news conference that his bank was setting aside 450 million Deutsche marks ($288.6 million) to cover possible losses on Soviet loans, following the lead of the other big German banks.

But he stressed that Soviet officials were committed to keeping up-to-date with interest payments in spite of their recent decision to defer some principal payments. "We have been assured that they will stand by their obligations," he said, noting that they do not intend to follow the example of Poland, which quit servicing interest.

It is crucial that interest payments be kept up to date as a general sign of good faith, and in some countries as a condition for banks' being able to keep the loans as performing assets on their balance sheets.

Mr. Kohlhaussen said a steering committee of international banks that met Friday in Frankfurt with Soviet officials was working to implement a 90-day delay of principal payments for debt coming due in the first quarter of next year. The delay was declared by Soviet officials last week.

Mr. Kohlhaussen echoed the view of other German bankers and officials that the Soviet Union, unlike many problem debtors, has so many resources that it will ultimately have no problem repaying its debt. In the meantime, they say, it is running into liquidity bottlenecks due to rapid social and economic changes.

Chairman Hilmar Kopper of Deutsche Bank said on Friday that his bank's exposure was "no problem" and was "clearly lower" than the risk the bank had run in the early 1980s with Brazil.

At the same time, large banks are actively building up reserves.

Commerzbank said Monday that the 450 million DM provision this year, which will come out of operating profit, would cover roughly half of its exposure to Soviet debt.

Dresdner Bank announced late last month that it had more than doubled funds set aside for general risk reserves and analysts said that about 65 percent of Soviet exposure was now covered. Deutsche Bank had already set aside reserves covering 70 percent of Soviet risk by the end of last year.

[Reuters reported from Vienna that banking sources in Austria expect banks to be making provisions of 30 percent to 40 percent this year on their Soviet debt.]

German banks are the most exposed of the world's commercial banks, accounting for roughly $22 billion of the total Soviet debt load of approximately $80 billion.

Banking analysts said the German banks were stocking up particularly high reserve ratios partly because they had the luxury to do so this year. "The major German banks have had good operating profits both this year and last, and they can make full use of them in regard to the Soviet exposure," said Thomas Albrecht, analyst with UBS/Phillips & Drew in London.

Commerzbank, for example, said group partial operating profit climbed 28.8 percent in the first 10 months of 1991, to 1.41 billion DM, from one year earlier, boosted by a sharp rise in net interest earnings. Partial operating profit does not include income from trading for the bank's own account.

Other major lenders such as French, British and Japanese banks have had more strains recently and have not been able to devote as many resources to the problem, Mr. Albrecht said.

Germany Rethinks Sell-Offs

State May Keep Some Companies

Reuters

BONN — The federal government is studying a plan to retain 10 to 15 big state-owned companies in Eastern Germany rather than sell or shut them, a member of the governing coalition said Monday.

Clemens Schwalbe, managing director of the Christian Democratic Union/Christian Social Union parliamentary group, confirmed a report in Monday's Die Welt newspaper and said Chancellor Helmut Kohl had agreed to change guidelines for the Treuhand agency after meeting CDU parliamentarians last week.

The agency, entrusted with selling, closing or rescuing thousands of state enterprises in the former communist country, has come under fire for posting losses on big privatization deals and for closing companies that some observers say could have survived.

Norbert Schaefer, a government spokesman, confirmed a change was under consideration but said no decision had been made.

Under the plan, favored by CDU members in Eastern Germany, ownership would be transferred to the government from the Treuhand in a move aimed at maintaining industrial sites in each of the five East German states.

Die Welt said the East German states would be given minority stakes in the large companies, which Bonn planned to float on German stock markets at the turn of the century.

Companies under consideration for the plan, said the newspaper, included Deutsche Waggonbau AG, a builder of railway cars; Eibo, a construction group, and Sket Maschinen & Anlagebau AG and Takraf Schwermaschinenbau AG, both machinery and engineering concerns. Other possible candidates included coal mining, chemical and shipbuilding concerns.

■ **First Float Is Priced**

Shares in Sachsenmilch AG, the first East German company to be floated on German stock markets, will be priced at 80 DM, Reuters reported from Dresden. The shares are to begin trading Jan. 6 on the Berlin and Frankfurt stock markets. Sachsenmilch is a unit of Südmilch AG, a cooperative milk-producing company based in Stuttgart.

CURRENCY RATES

Cross Rates

Dec. 9

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.768	3.205	1.1268	0.3297	0.1489 *	—	5.468 *	1.2755	1.3785 *	1.5575	1.75 *
Brussels	32.455	58.5725	20.606	6.0285	2.7224 *	18.285	—	23.3025	0.253	28.47	32.28 *
Frankfurt	1.5735	2.843	—	0.2926	0.1322 *	0.8875	4.852 *	1.1331	1.228 *	1.3852	1.569 *
London (a)	1.8145	—	2.8443	9.7185	2,150.58	3.2005	58.64	2.5153	232.645	2.0885	182.58
Madrid						Closed					
Milan	1,192.80	2,152.45	756.95	221.44	—	671.89	36.720	857.21	9.295	1,049.30	11.382
New York (b)	—	1.811 a	1.5715	5.364	1,196.00	1.771	32.26	1.3895	128.28	1.126	108.89
Paris	5.38	9.72	3.418	—	0.4514 *	3.0035	0.1659	3.8718	4.1994 *	4.74	5.2295 *
Tokyo	128.15	232.00	81.49	23.84	0.1077	72.32	3.954	92.26	—	112.46	1.2885
Toronto	1.126	2.0588	0.7223	0.2114	0.955 *	0.6411	3.586 *	0.8174	0.8857 *	—	1.127 *
Zurich	1.3875	2.5114	0.8835	0.2586	0.1167 *	0.7857	4.2871 *	—	1.0819 *	1.2190	1.2765 *
1 ECU	1.2925	0.7154	2.035	6.9559	1,540.34	2.2932	41.9282	1.7959	165.492	1.4486	130.584
1 SDR	1.4005	0.7744	2.2084	7.5508	1,672.51	2.4912	45.5292	1.9486	179.767	1.5891	N.Q.

Closings in Amsterdam, London, New York and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9850.1	Greek drac.	179.90	Mex. peso	3065.80	S. Afr. rand	2.7675
Austral. $	1.2983	Hong Kong $	7.77	N. Zealand $	1.7953	Soviet ruble**	90.00
Austr. schil.	11.05	Indian rupee	25.907	Norw. krone	6.1785	Swed. krona	5.737
Brazil cruz.	875.00	Indo. rupiah	1982.00	Phil. peso	26.16	Taiwan $	25.60
Chinese yuan*	5.398	Ireland (Punt)	1.6925	Port. escudo	139.70	Thai baht	25.46
Danish krone	6.0925	Israeli shek.	2.25	Saudi riyal	3.749	Turkish lira	4970.01
Egypt. pound	3.3385	Kuwaiti dinar	0.2852	Sing. $	1.6465	UAE dirham	3.6727
Fin. markka	4.263	Malay. ring.	2.743	S. Kor. won	755.80	Venez. boliv.	60.60

* Official rate. ** Tourist rate (commercial rate: 1.7064)

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7991	1.7904	1.7818	Canadian dollar	1.1386	1.1413	1.1435
Deutsche mark	1.5782	1.5844	1.5908	Japanese yen	128.37	128.54	128.48
Swiss franc	1.3928	1.3968	1.4008				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Did Delta Show Bad Faith by Dropping Pan Am?

By Alison Leigh Cowan
New York Times Service

NEW YORK — "The world has changed." With these words, a lawyer for Delta Air Lines Inc. attempted to explain in federal bankruptcy court why the airline was reneging on a key part of its deal to save Pan American World Airways from extinction.

Delta's last-minute turnabout last Tuesday, which has caused Pan Am to cease operations, had taken place after a "weekend of agony," said the lawyer, Lawrence M. Handelsman.

But had the world really changed that much since Aug. 12, when Delta's chief executive, Ronald W. Allen, announced the deal he had struck with Pan Am's creditors to save the airline? Had it changed in ways that Delta and its advisers at Goldman, Sachs & Co. could not have foreseen when they ran projections showing that the new Pan Am would be worth $830 million by 1995?

Delta's terse explanation of why it had decided not to pump any more money into Pan Am left many people unsatisfied and deeply puzzled. Delta, after all, walks away with the assets it prized most — Pan Am's Northeast shuttle and European routes — and not with the Latin American assets it had initially shunned.

Pan Am's creditors, meanwhile, face mounting losses. About 9,000 employees have lost their jobs at the 64-year-old airline. Passengers have been stranded far from home, and Washington regulators are wondering aloud why Delta waited till the last minute to bow out.

"You can't tell me an airline as big and smart and sophisticated as Delta, that has known more about Pan Am than Pan Am does since April and that has been involved in every decision, that they wake up one night and say the world has changed," said Henry Miller, an investment banker at Prudential Securities who advised the creditors.

Neil A. Monroe, a Delta spokesman, in an interview restated the airline's explanation: Pan Am was performing below projections, travel agents were avoiding the carrier, the economy had worsened, and competition was heating up in South America. He said: "It's obvious that the inference was we went into this thing with the intent to pull out, and all we wanted was to get the European routes, and that is totally and absolutely false."

He said that if the airline had any intention of pulling out before last week, it never would have given Pan Am $115 million of a possible $140 million of emergency financing in the last six weeks alone.

Pan Am's creditors disagree, and on Friday they filed a breach-of-contract lawsuit against Delta.

The creditors contend that Delta agreed to sponsor a reorganization plan that would turn Pan Am into a Latin American carrier only when the creditors made it clear that they would otherwise favor a three-way, $1.3 billion deal with Trans World Airlines, American Airlines and United Airlines. Until then, Delta wanted only Pan Am's Northeast shuttle and European routes, a way to make its route structure competitive with United's and American's.

The two asset sales proceeded on schedule on Sept. 1 and Nov. 1. But the new Pan Am never got off the ground, despite written assurances by Delta's lawyer as late as Nov. 7 that the deal was on track.

Now Pan Am's creditors are accusing Delta of pretending to go along with the reorganization plan to get what it wanted and of acting in bad faith by waiting till the last minute to tell them, depriving them of the chance to find another savior.

"This was deliberate," said Leon Marcus, the lawyer for the creditors committee. "What is so terrible about this is that if we had found out sometime in the middle of November, I would have sat down and found a graceful way out."

In hindsight, Delta did load various legal documents with escape clauses when it agreed Oct. 22 to provide up to $140 million more in emergency financing to tide Pan Am over. At the same time, it burdened the new entity with an additional $33 million a year of interest charges and fees payable to Delta, which creditors say would have made the projections harder to achieve.

Marketing help that Delta had agreed to provide under the deal was also slow in arriving. A much-talked-about code-sharing arrangement that eventually would have allowed travelers nervous about booking seats

See PANAM, Page 15

Nabisco Sheds Junk Ratings

Compiled by Our Staff From Dispatches

NEW YORK — RJR Nabisco Holdings Corp. returned to investment grade Monday when the two top U.S. credit-rating agencies took its senior debt out of the junk category.

Moody's Investors Service raised $16.5 billion of RJR debt to Baa3, its lowest investment-grade category, while Standard & Poor's Corp. upgraded $12 billion of securities, bringing the senior rating to BBB.

The catalyst for the move was the swap of $1.7 billion of new common shares for preferred stock and the buyback of debt with proceeds of a $2.1 billion sale of a different preferred class. The deals were announced in October and the return to investment grade was expected, though RJR's bonds moved higher in late trading on Monday. *(Reuter, AFX, BBN)*

NTT Picks Morgan Stanley For U.S.-Style Bond Sale

Compiled by Our Staff From Dispatches

TOKYO — Nippon Telegraph & Telephone Corp. said Monday it had picked Morgan Stanley Japan Ltd. as the first foreign securities company to join in lead-managing a domestic bond issue in Japan.

The issue, co-led by Nomura Securities Co., will also be the first in Japan in which underwriters fix a price at which they will offer bonds to investors, a practice common in the United States and Europe.

NTT is likely to sell 50 billion yen ($388.8 million) of bonds with a maturity of six to 10 years under the new system some time this week, said John Wadsworth, president of Morgan Stanley Japan.

The announcement was significant in coming from Japan's largest company, a government-run telecommunications giant that was once a symbol of a closed economy. Japanese law forbids foreigners from owning NTT stock, although that is expected to change soon. The government currently owns about two-thirds of NTT.

"The fixed-price offering method can be expected to promote competition in the corporate bond market, and facilitate the evolution of an efficient market mechanism," the Ministry of Finance said.

The deal is a coup for the Morgan Stanley Group Inc. subsidiary; foreign underwriters have to date made only token inroads in the

See NTT, Page 14

INTEREST RATES

Eurocurrency Deposits

Dec. 9

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	4⅞-5	9½-9⅝	8-8⅛	10⅝-10¾	9⅞-10⅛	6¼-6⅜	10 [illegible]-10 [illegible]	6⅝
2 months	4¾-4⅞	9 [illegible]-9 [illegible]	8-8⅛	10⅝-10¾	9 [illegible]-10 [illegible]	6⅛-6¼	10½-10⅝	6 [illegible]
3 months	4½-4⅝	9 [illegible]-9 [illegible]	7 [illegible]-8 [illegible]	10⅝-10¾	9 [illegible]-10 [illegible]	6-6⅛	10 [illegible]-10 [illegible]	6¾
6 months	4 [illegible]-4 [illegible]	9 [illegible]-9 [illegible]	7 [illegible]-8 [illegible]	10 [illegible]-10 [illegible]	9¾-10	5⅞-5⅞	10⅜-10½	6¾
1 year	4 [illegible]-4 [illegible]	9⅜-9½	7 [illegible]-7 [illegible]	10 [illegible]-10 [illegible]	9⅝-9⅞	5 [illegible]-5 [illegible]	10 [illegible]-10 [illegible]	6 [illegible]

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Dec. 9

	Close	Prev.
United States		
Discount rate	4½	4½
Prime rate	7½	7½
Federal funds	4⅞	4½
Com. paper 90-179 days	4.37	4.48
3-month Treasury bills	4.13	4.22
6-month Treasury bills	4.12	4.21
1-year Treasury bills	4.19	4.29
30-year Treasury bond	7.79	7.81
2-month CD's	4¼	4.35
3-month CD's	4¼	4.35
Japan		
Discount rate	5.00	5.00
Call money	6⅜	6 5/16
2-month interbank	6 3/32	6⅛
3-month interbank	6 1/32	6⅛
Germany		
Discount rate	7½	7½
Lombard rate	9¼	9¼
Call money	9.10	9.15
1-month interbank	9½	9½
3-month interbank	9½	9½
6-month interbank	9½	9⅝
Britain		
Bank base rate	11.00	11.00
Call money	10¾	10¾
1-month interbank	10 23/32	10 11/16
3-month interbank	10 11/16	10 11/16
France		
Intervention rate	9¼	9¼
Call money	10 1/16	9 15/16
1-month interbank	10.00	9 15/16
3-month interbank	9 15/16	9⅞
6-month interbank	9⅞	9 13/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Dec. 9

1 month	4⅞ - 5
2 months	4 [illegible] - 4 [illegible]
3 months	4 [illegible] - 4 [illegible]
6 months	4 [illegible] - 4 [illegible]
1 year	4⅝ - 4¾

Source: Reuters.

U.S. Money Market Funds

Dec. 9

Merrill Lynch Ready Assets
30-day average yield: 4.72
Telerate Interest Rate Index: 4.482
Source: Merrill Lynch, Telerate.

GOLD

Dec. 9

	A.M.	P.M.	Ch'ge
Hong Kong	369.25	368.45	+ 0.40
Luxembourg	369.25	—	+ 1.50
Paris (12.5 kilo)	370.87	371.45	+ 3.19
Zurich	368.50	371.25	+ 3.30
London	370.20	370.70	+ 2.95
New York	—	368.65	− 0.40

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

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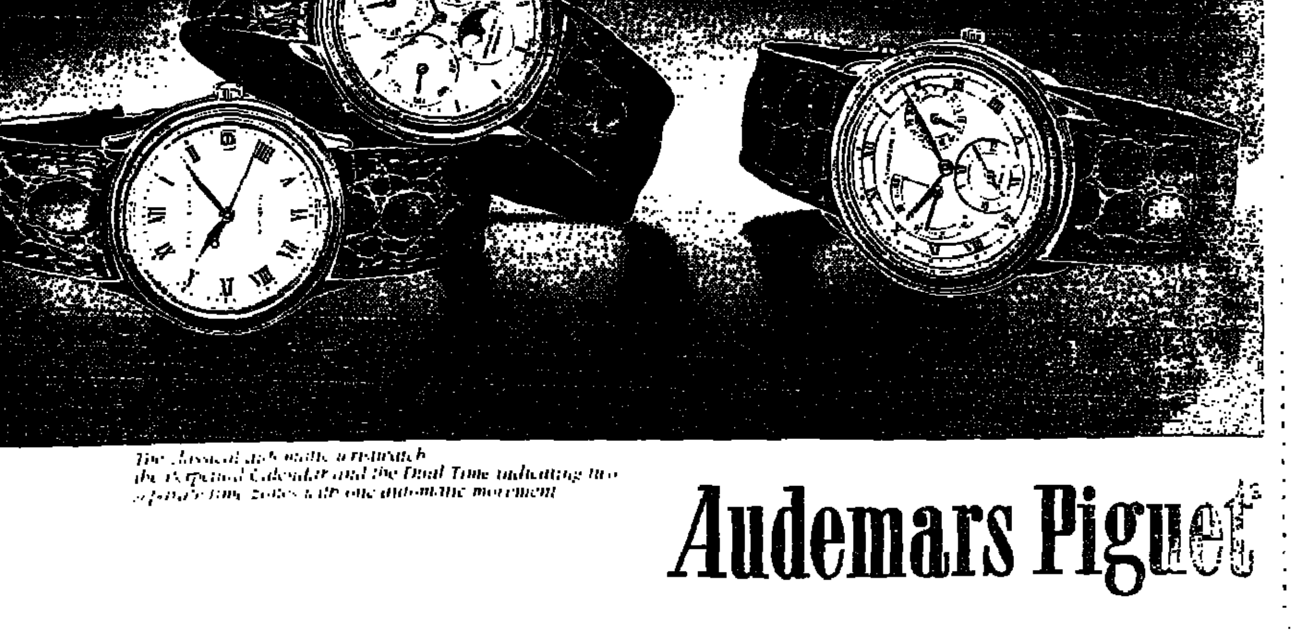

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MARKET DIARY

Dollar Gets a Lift Amid Uncertainty

Reuters

NEW YORK — The dollar gained slightly Monday against major currencies in quiet trading despite the downward pressure of U.S. economic weakness.

"It was very quiet after some brief dollar selling early," said David Gilmore, senior analyst at MCM Currencywatch. "Very few people were willing to participate in the market." Traders said they were watching Soviet developments and the European Community summit in Maastricht, the Netherlands. But neither of those factors had much effect on the market, they said.

Foreign Exchange

The dollar ended at 1.5715 Deutsche marks and 128.28 yen, up from 1.5665 DM and 127.90 yen at the close Friday. The U.S. currency also closed at 1.3895 Swiss francs and 5.3640 French francs, up from Friday's 1.3845 and 5.3575.

The pound ended at $1.8110, down from Friday's $1.8165.

The U.S. unit fell sharply Friday after a weak November employment report and a cut in the federal funds rate by the Federal Reserve. Negative psychology toward the dollar remained in the market Monday, slightly countered by uncertainty about events in the Soviet Union.

Kevin Weir, vice president at Canadian Imperial Bank of Commerce in New York, said news from the Soviet Union and from the EC summit failed to move the market Monday because the multitude of possible outcomes in both cases made it hard for the market to base trades on them.

In London, the dollar drifted down in late trading as expectations of a U.S. rate cut temporarily overcame worries about the Soviet break-up.

The dollar closed at 1.5705 Deutsche marks and 128.20 yen, down from Friday's closes of 1.5727 DM and 128.25 yen.

The U.S. currency also ended down at 1.3865 Swiss francs and 5.3625 French francs after Friday's 1.3905 and 5.3765. The pound finished at $1.8145, up from Friday's $1.8090.

STOCKS: *Wall Street Shivers*

(Continued from first finance page)

did not offer encouraging signs on the economic outlook but instead briefed them on the administration's plans and of its views. "Their concern is they want to see this economy improve but they don't want to do something that would cause long-term damage," said Governor Jim Edgar of Illinois.

N.Y. Stocks

The report did short-term damage to the Treasury market. The 30-year bond ended the day with a yield of 7.79 percent, lower than the 7.81 at the end of Friday but well above the 7.76 percent reached before Mr. Brady's comments.

Earlier, three-month Treasury bills were auctioned at a 19-year low rate of 4.21 percent, down from 4.39 percent and providing a return to investors of 4.33 percent. Six-month bills were sold at 4.20 percent, also down from 4.39 percent, to return 4.36 percent.

Before the late Wall Street sell-off, stocks had been drawing some solace from the low rates.

Jeff Kaminsky, head of institutional sales trading at Mabon Securities Corp., noted the early rise but said: "There's a limit to the upside. The market has no real leadership."

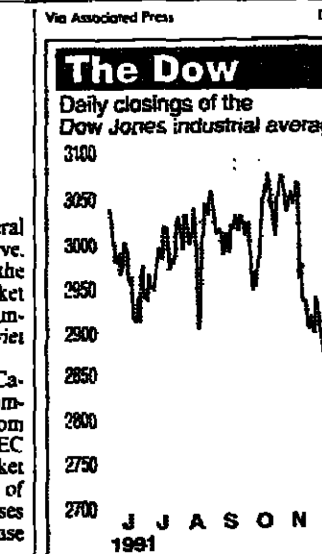
By the end of trading on the New York Stock Exchange, declining issues outnumbered advancers by 3-2.

RJR Nabisco Holdings paced the Big Board actives, easing ¼ to 10⅛.

Sun Microsystems led the over-the-counter actives, falling 1⅞ to 21¼. The OTC market suffered from the IBM slide, which pressured the high-technology issues there. "The tone of the market was really set by IBM's weakness," said Charles Howley of Soundview Financial Group.

Microsoft fell 2¼, to 102, also suffering from a negative article in the Wall Street Journal predicting the stock would tumble due to a copyright infringement lawsuit brought by Apple Computer Inc. *(UPI, Reuters, BBN, AP)*

Via Associated Press Dec. 9



Dow Jones Averages

	Open	High	Low	Close	Ch'ge
Indus	—	2,900.27	2,864.94	2,871.65	—14.75
Trans	—	1,200.67	1,182.92	1,184.42	—14.20
Util	—	221.46	220.27	220.7?	—0.37
Comp	—	1,057.67	1,046.87	1,048.58	—6.83

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	449.61	444.57	445.36	—1.39
Transp.	311.23	305.31	305.71	—5.37
Utilities	147.24	146.49	146.74	+0.25
Finance	30.32	30.03	30.16	+0.13
SP 500	381.42	377.67	378.26	—0.84
SP 100	356.15	351.76	352.72	—1.44

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	210.50	209.21	209.21	—0.53
Industrials	261.18	259.26	259.26	—0.86
Transp.	183.57	180.90	180.90	—2.26
Utilities	97.10	96.89	96.89	Unch.
Finance	156.36	155.84	155.84	+0.22

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	538.90	534.88	535.35	—0.95
Industrials	612.02	606.31	606.91	—1.77
Finance	525.40	523.93	524.54	+0.60
Insurance	559.71	556.05	556.44	—2.64
Utilities	578.20	571.70	574.01	+1.37
Banks	323.08	319.48	320.92	—1.34
Transp.	528.06	524.33	526.99	+1.91

AMEX Stock Index

High	Low	Close	Ch'ge
373.00	370.11	370.59	—2.04

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	97.82	—0.03
10 Utilities	99.80	+0.07
10 Industrials	95.84	—0.12

Market Sales

NYSE 4 p.m. volume	174,700,000
NYSE prev. cons. close	238,119,100
Amex 4 p.m. volume	12,832,300
Amex prev. cons. close	19,797,000
NASDAQ 4 p.m. volume	155,386,900
NASDAQ prev. 4 p.m. volume	178,831,000

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Dec. 6	832,711	822,857	31,780
Dec. 5	699,571	787,511	22,609
Dec. 4	769,311	857,816	124,050
Dec. 3	734,618	820,387	47,398
Dec. 2	887,927	690,386	55,328

*Included in the sales figures.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
RJR Nb n	40471	10¼	10	10⅛	—⅛
IBM	37046	89⅝	84⅝	85⅝	—3⅝
GnMotr	24055	29⅝	27½	27¾	—1¼
BrTel pp	22112	22⅞	22⅝	22⅝	
Glaxo s	19865	30⅜	29⅞	29⅞	
GenEl	16240	65⅞	64⅛	64¾	+⅞
PhilMr	16097	69	68⅛	68¾	+⅞
Citicorp	15792	10¼	10	10	—¼
WalMt	15103	52⅛	51⅛	51½	—⅜
RJR pfA	14891	11¼	10¾	11	+⅛
Limitd	14194	27¾	27⅛	27¾	+1
PepsiC	13378	30⅝	30¼	30⅝	+¼
AmExp	13245	19	18½	18⅝	—¼
ToyRU	13191	29¼	27⅛	27⅞	—1¼
BrMySq	11718	79⅝	78⅛	78⅝	—⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
EnzoBI	10787	7⅞	5⅝	5⅝	—2½
IvaxCp s	3326	29⅞	28⅝	28⅞	+⅜
BergBr s	3293	17¼	16½	16⅝	—¼
EchoBy	2829	7⅞	7⅝	7⅝	
Chief	2529	17¾	17⅜	17⅜	+⅜
Wthfrd	2441	4⅞	4½	4½	—¼
Hasbro	2409	36⅜	34½	35⅝	+1⅛
PollCp s	2384	33⅝	33	33¼	—¾
PinRsc	2384	16	14¼	14⅜	—1⅝
US Bio	2039	76	67⅝	67⅞	—7¼
NY Tim	1666	20⅛	19½	19⅝	
Hilhav	1509	2⅝	2½	2½	—⅛
TelDta	1421	31	30¼	30⅜	—¾
ENSCO	1408	1⅝	1½	1½	—⅛
MedcR	1396	24⅜	23¼	23¼	+⅜

NYSE Diary

	Close	Prev.
Advanced	699	874
Declined	944	775
Unchanged	533	529
Total issues	2176	2178
New Highs	69	72
New Lows	69	72

Amex Diary

	Close	Prev.
Advanced	238	279
Declined	358	302
Unchanged	255	248
Total issues	851	829
New Highs	22	26
New Lows	34	29

NASDAQ Diary

	Close	Prev.
Advanced	891	993
Declined	1,132	932
Unchanged	2,158	2,263
Total issues	4,181	4,188

S&P 100 Index Options

Dec. 9

Strike Price	Calls-Last Dec	Jan	Feb	Mar	Puts-Last Dec	Jan	Feb	Mar
330	—	—	30½	—	—	2¼	4½	6
335	—	—	—	—	⅛	3	4⅞	—
340	14	18⅛	—	—	1⅛	4	6½	8
345	10¼	14	—	—	1⅞	5⅝	7½	—
350	6⅝	10½	14¼	—	3⅝	6½	10	10¼
355	3⅝	7⅝	10⅝	—	5⅜	8⅝	11⅝	—
360	1⅝	4⅝	7⅝	—	8⅛	11½	13	—
365	⅝	2⅝	6⅝	—	12½	14½	16½	—
370	⅛	1⅝	3⅝	6	17½	18⅝	15¼	—
375	⅛	⅝	2⅝	—	21⅝	—	—	—
380	⅛	⅛	1⅛	—	—	—	—	—
385	⅛	⅛	⅛	—	—	31¼	—	—
390	⅛	⅛	⅛	1⅛	—	—	34⅞	—

Calls: total vol. 102,257; total open int. 453,802
Puts: total vol. 107,515; total open int. 422,834

	Dec 92	Dec 93	Dec 92	Dec 93
27½	—	—	⅛	—
30	—	7⅝	—	—
32½	—	—	1⅛	2¼
35	3⅝	—	2⅛	3¼
37½	1⅜	—	—	—
40	1	—	5	—

Calls: total vol. 263; total open int. 25,613
Puts: total vol. 239; total open int. 100,765
Source: CBOE.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Mar	197.60	197.80	197.80	192.00	193.20	194.20
May	195.60	197.80	192.00	191.20	191.20	192.20
Aug	193.50	200.00	199.00	192.00	190.20	194.60
Oct	190.50	200.00	199.00	194.00	188.20	194.60
Dec	181.60	200.00	187.00	187.00	179.20	193.60
Mar	176.60	205.00	187.00	187.00	174.20	198.60
Est. Sales 382.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Dec	727	731	735	729	732	734
Mar	766	767	775	766	773	774
May	790	791	795	790	795	796
Jul	814	815	819	814	818	820
Sep	836	837	842	837	841	842
Dec	864	865	870	866	866	870
Mar	892	893	N.T.	N.T.	895	898
May	909	910	N.T.	N.T.	910	915
Jul	924	926	926	926	925	932
Sep	941	942	943	941	945	947
Est. Sales 2,134.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Jan	597	599	599	585	602	604
Mar	581	582	586	575	587	588
Est. Sales 2,142						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons closing					
Mar	282.00	278.50	281.50	282.50	+1.50
May	280.00	278.70	281.50	282.50	+1.50
Aug	N.T.	N.T.	284.00	287.00	+1.00
Oct	N.T.	N.T.	264.00	267.00	+1.00
Dec	N.T.	N.T.	262.00	265.00	+2.50
Mar	N.T.	N.T.	263.00	266.00	+2.20

Est. sales 140. Prev. sales 268. Open interest 11,535.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1084.50	1085.50	1082.00	1083.00
Forward	1110.00	1111.00	1107.00	1108.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1221.00	1222.00	1227.00	1228.00
Forward	1236.00	1236.50	1234.00	1235.00
LEAD Sterling per metric ton				
Spot	292.00	293.00	296.50	297.50
Forward	301.00	301.50	303.50	305.50
NICKEL Dollars per metric ton				
Spot	7110.00	7120.00	7090.00	7110.00
Forward	7130.00	7140.00	7100.00	7110.00
TIN Dollars per metric ton				
Spot	5486.00	5490.00	5480.00	5490.00
Forward	5535.00	5540.00	5530.00	5540.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1212.00	1217.00	1208.00	1210.00
Forward	1165.00	1166.00	1170.00	1172.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Dec	89.31	89.27	89.28	—0.03
Mar	89.68	89.60	89.62	—0.05
Jun	89.86	89.81	89.83	—0.03
Sep	90.02	89.97	89.98	—0.03
Dec	90.08	90.06	90.06	—0.03
Mar	90.06	90.05	90.05	—0.03
Jun	90.07	90.06	90.05	—0.03
Sep	90.08	90.05	90.08	—0.01
Dec	90.04	90.04	90.03	—0.05
Est. volume: 13,386. Open interest: 171,831.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Dec	95.38	95.34	95.33	+0.07
Mar	95.57	95.52	95.57	+0.06
Jun	95.41	95.38	95.43	+0.04
Sep	95.20	95.17	95.22	+0.03
Dec	94.68	94.65	94.68	+0.01
Mar	94.43	94.43	94.46	+0.02
Jun	N.T.	N.T.	94.05	+0.02
Sep	N.T.	N.T.	93.65	Unch.
Est. volume: 4,154. Open interest: 42,749.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Dec	90.44	90.41	90.41	—0.02
Mar	90.76	90.72	90.73	—0.04
Jun	91.06	91.02	91.03	—0.03
Sep	91.32	91.28	91.29	—0.04
Dec	91.40	91.39	91.40	—0.03
Mar	91.55	91.54	91.55	—0.02
Jun	N.T.	N.T.	91.66	—0.02
Sep	N.T.	N.T.	91.78	—0.02
Est. volume: 15,963. Open interest: 176,064.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Dec	95-13	95-02	95-11	+0-04
Mar	95-24	95-10	95-20	+0-04
Jun	N.T.	N.T.	95-22	+0-04
Est. volume: 8,791. Open interest: 48,887.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Mar	86.55	86.43	86.49	—0.07
Jun	N.T.	N.T.	86.82	—0.07
Est. volume: 15,939. Open interest: 72,040.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Dec	178.00	172.50	172.50	172.50	—8.00
Jan	180.50	175.25	175.75	175.75	—6.75
Feb	180.00	174.50	175.25	175.25	—6.75
Mar	176.75	175.25	172.50	172.50	—5.50
Apr	173.25	169.25	170.00	170.00	—3.00
May	170.75	168.25	168.25	168.25	—3.00
Jun	170.50	170.50	170.50	170.50	—3.00
Jul	171.00	171.00	171.00	171.50	—2.75
Aug	174.00	172.50	173.00	173.00	—3.00
Est. Sales 22,257. Prev. sales 17,089. Open interest 78,630					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Jan	18.85	18.00	18.00	18.01	—0.87
Feb	18.80	18.07	18.07	18.08	—0.71
Mar	18.64	18.07	18.10	18.13	—0.59
Apr	18.56	18.06	18.06	18.07	—0.53
May	18.50	18.07	18.07	18.07	—0.43
Jun	18.45	18.01	18.01	18.01	—0.44
Jul	18.10	18.10	18.10	18.00	—0.45
Aug	18.15	18.10	18.15	18.00	—0.52
Sep	N.T.	N.T.	N.T.	17.98	—0.52
Est. Sales 29,050. Prev. sales 20,362. Open interest 101,896					

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE) £25 per index point				
Dec	2427.0	2392.0	2422.0	+19.5
Mar	2454.5	2412.0	2453.5	+20.0
Jun	N.T.	N.T.	2483.5	+21.0
Est. volume: 9,550. Open interest: 40,142.				

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.493	0.491
Coffee, Braz., lb	0.575	0.59
Copper electrolytic, lb	1.105	1.1255
Iron FOB, ton	213.00	213.00
Lead, lb	0.35	0.35
Silver, troy oz	4.045	4.055
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	95.00	93.00
Tin, lb	3.5319	3.5315
Zinc, lb	0.60	0.60

Dividends

Company	Per	Amt	Pay	Rec
EXTRA				
Amer Barrick Res	—	.02½	1-15	12-31
INITIAL				
Universal Corp	—	.20	2-10	1-13
RESUMED				
FCA International	—	c.05½	12-31	12-17
STOCK SPLIT				
Universal Corp — 2-for-1				
USUAL				
A&W Brands	Q	.10	1-15	1-2
Brown Group Inc	Q	.40	1-2	12-16
Burhan Corp cl-A&B	Q	.47½	1-2	12-13
Donnelly Corp cl-A	Q	.07	1-1	12-16
Fed Home Ln Mtg	Q	.50	12-31	12-16
First Inter-Bncp	Q	.10	12-27	12-17
Juno Lighting	Q	.07	1-15	12-18
Mapco Inc	Q	.25	12-30	12-16
Newport Corp	Q	.04	12-27	12-12
SPI Pharmaceutical	Q	.25	12-31	12-13
Shared Medical Sys	Q	.21	1-15	12-31
Yankee Energy Sys	Q	.40	12-27	12-13

a-annual; c-Canadian rate; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

U.S./AT THE CLOSE

Nippon Sets Financing for Oracle

REDWOOD SHORES, California (Combined Dispatches) — Oracle Systems Corp., a supplier of software and services, said Monday that its Oracle Japan unit would get $80 million in financing from Nippon Steel Corp. as part of a "strategic relationship" including a marketing pact.

The financing will come in the form of subordinated debt. Nippon Steel also will acquire warrant rights to purchase a stake of up to 25 percent in Oracle Japan. The exercise price for the warrants is fixed according to a $400 million basic valuation of Oracle Japan.

Oracle will grant Nippon a nonexclusive license to distribute Oracle products in Japan. Oracle said the agreement would help it take advantage of the shift in the Japanese market towards "open" software systems.

Oracle sells relational database software, designed to get computers to store and retrieve information efficiently. Oracle, which earned $2.4 million on revenue of $244 million in its last quarter, said it planned to use the money to reduce bank borrowings and for other general purposes.

The agreement was originally announced last June as a joint venture with $200 million in financing to Oracle. *(Reuters, UPI)*

Bill Has 'Icahn Rider' on Pensions

WASHINGTON (AP) — Congress passed legislation Monday designed to make it harder for Carl C. Icahn, owner of Trans World Airlines, to avoid responsibility for up to $900 million in pensions to employees.

The measure would allow the federal Pension Benefit Guaranty Corp. to attach Mr. Icahn's other holdings to cover unfunded pension liabilities as long as he controls the airline, even if he sells most of his stock.

The effect "is to force Carl Icahn to do his best to keep TWA operating as a going concern," said Senator John C. Danforth, Republican of Missouri, where TWA has a main hub. Mr. Danforth helped attach the provision to a spending bill that was sent to President George Bush.

Profits Down for U.S. Manufacturers

WASHINGTON (Reuters) — U.S. manufacturing companies' seasonally adjusted after-tax profits fell to 2.6 cents per dollar of sales in the third quarter of 1991 from 3.1 cents in the second quarter, the Commerce Department said Monday.

Based on financial reports from 8,500 corporations, the department said income after taxes fell to $18.24 billion for manufacturers in the third quarter, from $21.51 billion in the second quarter, and was down from $29.65 billion in the third quarter of 1990.

US West Plans to Trim 6,000 Jobs

DENVER (AP) — US West Inc. announced plans Monday to reduce its work force by 6,000 in the next several years in a restructuring.

The telecommunications company said its fourth-quarter earnings would include an after-tax charge of about $590 million to reflect the work-force reductions and property liquidations.

Newell Sniffs Around Stanley Again

NEW BRITAIN, Connecticut (Reuters) — Stanley Works said Monday that Newell Corp. had filed notification under federal antitrust law to acquire between $15 million and $250 million of the toolmaker's stock, a development Stanley described as unwelcome.

The company said the filing, made last Friday, was Newell's third such filing since May 13. The other two were withdrawn.

For the Record

Philip Morris International Inc. said Monday it had signed a contract to supply more than 11 billion cigarettes to Russia in 1992, and would begin making Marlboro and other brands in Russia next year. *(Reuters)*

Matsushita Electronics Corp. will shift production of one-megabyte dynamic random-access memory chips from Japan to Puyallup, Washington, by the end of 1992, a spokesman said. *(BBN)*

Salomon Brothers Inc. has completed its payout of bonuses, and the amount paid top executives was slightly less than in previous years, people at the firm said. Salomon did not provide a percentage figure. It had earlier said it would cut total bonuses by $110 million. *(NYT)*

Argentine Phone Sale

Reuters

BUENOS AIRES — Argentina opened Monday a weeklong auction to sell 30 percent of the phone company Telefónica de Argentina SA, hoping to net over $600 million.

Telefónica de Argentina is one of the two operators that sprang from the breakup and partial privatization of the ENTel telephone company. It turned a net profit of $16 million on revenue of $1.1 billion in the 11 months after Telefónica de España took charge of operations in November 1990.

The sale price will be set in a modified Dutch auction for the part of the deal in which major local and foreign investors will bid for half the shares offered.

NTT: *Japan's U.S.-Style Bond Sale*

(Continued from first finance page)

domestic market in Japan, which has lagged behind other countries in bond innovations. Japanese companies raise no more than 2 percent of their funding through domestic bonds, compared with 40 percent in the United States.

The current pricing method encourages favoritism — a criticism of many of Japan's markets — and a lack of transparency by allowing securities firms to reoffer bonds at whatever prices they want.

That has discouraged participation by large investors, particularly foreigners, who never knew whether they were getting the best possible deal in the secretive, clubby atmosphere of Japanese markets.

Morgan and Nomura will each take 30 percent of the bonds, while 31 other firms share the rest.

Under the negotiated fixed-price offering method, the borrower and underwriters negotiate the bond terms after gauging investor demand. *(Reuters, AFP, AP)*

WORLD STOCK MARKETS

Agence France Presse Dec. 9

Amsterdam

	Close	Prev.
ABN Amro Hld	42.10	41.80
ACF Holding	33.50	33.50
Aegon	118.60	118.40
Ahold	77.20	78.40
Akzo	124.90	125.20
AMEV	51.10	51.10
A'Dam Rubber	3.20	3.25
Bols	43	42.90
Buhrmann Tett	38	37.70
Center Parcs	20.25	21
CSM	83.20	83.20
DAF	21.80	21.80
DSM	97.20	97.10
Elsevier	94.50	94
Fokker	24.90	26.70
Gist-Brocades	30.40	30.50
Heineken	152.70	152.20
Hoogovens	47.10	46.50
Hunter Douglas	60.50	60.80
IHC Caland	57.50	57.10
Inter Mueller	58.20	59
Int'l Nederland	46.60	46.60
KLM	38.20	38.10
KNP	45.30	45.40
Nedlloyd	53.80	54.10
Oce Grinten	61.50	61.30
Pakhoed	43.50	43
Philips	30.60	31.20
Robeco	92	92.40
Rodamco	58	57.80
Rolinco	92.90	92.90
Rorento	69	69
Royal Dutch	140.70	140.50
Unilever	169.30	167.40
Van Ommeren	41	41
VMF Stork	41.40	41.60
VNU	71.10	71.10
Wessanen	79.80	80.40
Wolters/Kluwer	60.20	59.90

CBS Trend Index: 88
Previous: 88

Markets Closed

Stock markets were closed in Brussels due to technical problems and in Madrid for a holiday.

Frankfurt

	Close	Prev.
AEG	201	199
Allianz Hold	2110	2105
Altana	572	578
Asko	605	679
BASF	228.30	228
Bayer	274.20	273.80
Bay. Hypo bank	367.50	368
Bay Vereinsbk	401	401
BBC	695	715
BHF Bank	386	386
BMW	467.50	468
Commerzbank	244	242.60
Continental	216.50	217
Daimler Benz	707.50	705
Degussa	291	290.50
Dt Babcock	139.60	141.20
Deutsche Bank	653.70	654.70
Douglas	682	680
Dresdner Bank	326.60	325.80
Feldmuehle	506.20	506.20
Harpener	303	306
Henkel	538	537
Hochtief	1034	1025
Hoechst	225.10	224.40
Hoesch	257	253.50
Holzmann	1032	1043
Horten	181	181
IWKA	267	268.50
Kali Salz	136.20	137
Karstadt	615	616
Kaufhof	449	452.20
KHD	130.80	130.50
Kloeckner Werke	107.50	109
Krupp Stahl	130	135
Linde	709.50	707
Lufthansa	145.70	146
MAN	325.50	329
Mannesmann	242.70	243
Metallgesell	381	381
Muench Rueck	2315	2315
Nixdorf	223	224.10
PKI	N.A.	600
Porsche	562	575
Preussag	314	314
PWA	210.50	212.90
RWE	391.50	394
Rheinmetall	262	260
Schering	773	780
SEL	437	440
Siemens	616.60	613.70
Thyssen	191	191.50
Varta	274	272
Veba	354.70	354.30
VEW	217	211
Viag	363	363
Volkswagen	294.10	295
Wella	578	580

DAX Index: 1559.85
Previous: 1558.18
FAZ Index: 638.77
Previous: 638.02

Helsinki

	Close	Prev.
Amer A	59	57
Enso-Gutzeit	19.20	19
K.O.P.	18	18
Kymmene	69.50	68.50
Metra	52	52.60
Nokia	63	60.10
Pohjola	67	60
Repola	40	38.50
Stockmann	152	150

HEX Index: 891.10
Previous: 883.50

Hong Kong

	Close	Prev.
Bk East Asia	22.70	22.30
Cathay Pacific	10.20	10.30
Cavendish Int'l	3.58	3.60
Cheung Kong	18.90	19
China Light Pwr	22.50	22.50
Dairy Farm Int'l	9.60	9.20
Hang Lung Dev	8.05	8.10
Hang Seng Bank	36.25	35.75
Henderson Land	13.40	13.30
HK Air Eng.	16.90	16.80
HK China Gas	11.30	11.40
HK Electric	13.10	13.20
HK Land	9.10	9.10
HK Realty Trust	6.85	6.90
HK Shang Bank	35	35
HK Shang Htls	4.68	4.65
HK Telecomm	7.90	7.90
HK Ferry	5.25	5.25
Hutch Whampoa	14.20	14.10
Hysan Dev	8.15	8.15
Jardine Math.	37.75	36.75
Jardine Str Hld	18.10	17.90
Kowloon Motor	7.60	7.55
Mandarin Orient	5.45	5.45
Miramar Hotel	6.85	6.85
New World Dev	11.10	11.10
SHK Props	22.40	22.30
Stelux	4.28	4.30
Swire Pac A	23.30	23
Tai Cheung Prps	4.73	4.75
TVE	2.70	2.70
Wharf Hold	10.90	10.90
Wing On Co	7.35	7.30
Winsor Ind.	9.15	9.10
World Int'l	5.60	5.60

Hang Seng Index: 4203.20
Previous: 4190.84

Johannesburg

	Close	Prev.
AECI	8.75	8.75
Altech	95	95
Anglo Amer	127.75	126
Barlows	51.50	51.50
Blyvoor	6.25	6
Buffels	34.50	34.50
De Beers	90.15	90.25
Driefontein	41.75	40.25
Gencor	12.80	12.80
GFSA	80	78.50
Harmony	20.50	19
Highveld Steel	15	15
Kloof	34.25	33.35
Nedbank Grp	16	15.75
Randfontein	17.25	16.50
Rusplat	67.50	67.75
SA Brews	55	53.75
St Helena	23.10	22.50
Sasol	18.85	18.85
Welkom	16.75	16.25
Western Deep	130.50	128.25

Composite Stock Index: 3522
Previous: 3495

London

	Close	Prev.
Abbey Nat'l	2.79	2.77
Allied Lyons	5.86	5.81
Arjo Wiggins	2.58	2.53
Argyll Group	2.86	2.90
ASDA Group	0.34	0.33
Ass Brit Foods	4.47	4.40
BAA	5.04	5.03
BAe	3.25	3.22
Bank Scotland	1.14	1.13
Barclays	3.43	3.38
Bass	9.58	9.74
BAT	6.08	5.95
BET	2.04	2.03
BICC	3.15	3.10
Blue Circle	2.15	2.04
BOC Group	5.87	5.80
Boots	4.17	4.12
BP	2.93	2.90
Brit Airways	2.07	2.03
Brit Gas	2.39	2.34
Brit Steel	0.70	0.70
Brit Telecom	3.30	3.46
BTR	3.87	3.66
Cable Wire	5.38	5.37
Cadbury Sch	4.15	4.07
Comm Union	4.53	4.40
Courtaulds	4.59	4.56
Enterprise Oil	4.60	4.53
Eurotunnel	3.65	3.73
Fisons	3.81	3.70
Forte	2.40	2.36
GEC	1.84	1.77
Gen'l Acc	4.33	4.29
Glaxo	8.20	8.03
Grand Met	8.41	8.50
GRE	1.34	1.27
Guinness	4.97	4.92
GUS A	12.75	12.65
Hanson	1.93	1.90
Hillsdown	1.67	1.70
ICI	11.55	11.62
Inchcape	4	3.94
Kingfisher	5	4.95
Ladbroke	2.27	2.29
Land Sec	4.97	4.61
Lasmo	2.54	2.51
Legal Gen Grp	3.56	3.49
Lloyds Bank	3.51	3.47
Lonrho	1.67	1.70
Lucas Ind	1.08	1.04
Marks Sp	2.89	2.85
Maxwell	Susp.	—
MEPC	4.10	4.20
Midland Bk	2.05	1.95
Nat'l Power	1.39	1.41
NatWest	2.63	2.65
Nthwst Water	3.35	3.38
Pearson	7.27	7.12
P&O	4.11	3.98
Pilkington	1.22	1.23
PowerGen	1.49	1.51
Prudential	2.25	2.17
Rank Org	5.67	5.67
Reckitt Col	6.25	6.12
Redland	4.52	4.45
Reed Int'l	4.77	4.77
Reuters	9.60	9.48
RMC Group	5.20	5.14
Rolls Royce	1.20	1.23
Rothmans	10.53	10.31
Royal Ins	2.63	2.49
Royal Scot	1.60	1.66
RTZ	4.83	4.75
Sainsbury	3.56	3.50
Scot Newcas	4.05	3.99
Scot Power	0.97	0.99
Sears Holds	0.89	0.89
Severn Trent	3.05	3.01
Shell	4.80	4.78
Smith Nephew	1.30	1.30
SmithKline B	8.18	8.07
Sun Alliance	2.86	2.81
Tarmac	1.30	1.18
Tate & Lyle	3.77	3.87
Tesco	2.27	2.27
Thorn EMI	7.60	7.59
Trafalgar Hse	1.63	1.64
TSB Group	1.16	1.15
Unilever	8.40	8.25
Utd Biscuits	3.80	3.78
Vodafone	3.59	3.52
War Loan 3½	36.63	36.69
Wellcome	8.98	8.89
Whitbread	4.17	4.16
Williams Hdgs	3.05	2.87
Willis Corroon	2.51	2.41

F.T. 30 Index: 1838.00
Previous: 1862.80
F.T.S.E. 100 Index: 2409.60
Previous: 2388.70

Milan

	Close	Prev.
Alenia	2145	2175
Banca Comm	3660	3750
Bastogi	140	142
Benetton group	10070	10200
Ciga hotels	1545	1592
CIR	1645	1700
Cred Ital	1900	1995
Enichem	1405	1425
Eridania	6914	6935
Ferfin	1646	1680
Ferfin Risp	1150	1170
Fiat SPA	4580	4655
Generali	26350	26550
IFI	11775	12100
Italcem	19050	19500
Italgas	2992	3075
Italmobiliare	61250	62490
Mediobanca	13100	13325
Montedison	1265	1218
Olivetti	2460	2510
Pirelli	1065	1135
RAS	18000	17900
Rinascente	6075	6375
Saipem	1560	1589
SIP	1225	1280
SME	2980	2976
Snia	975	1000
Standa	31500	31550
Stet	1929	1965
Toro Assi Risp	21400	21350

MIB Index: 937
Previous: 952

Montreal

	Close	Prev.
Alcan Aluminum	21	21⅛
Bank Montreal	41⅛	42⅛
Bell Canada	46⅝	47⅛
Bombardier A	25⅝	25½
Bombardier B	25⅝	25¾
Cambior	9⅝	9⅝
Cascades	5½	5⅝
Dominion Text A	7¼	7¼
Donohue	12⅞	12⅞
MacMillan Bl	17¾	18
Natl Bk Canada	11⅛	11⅛
Power Corp.	13⅞	14
Provigo	9⅝	9¼
Quebec Tel	17½	17⅜
Quebecor A	20	20
Quebecor B	19¾	19⅝
Teleglobe	10⅞	10⅝
Videotron	14⅝	15

Industrials Index: 1544.29
Previous: 1561.10

Paris

	Close	Prev.
Accor	612	620
Air Liquide	637	647
Alcatel Alsthom	523	535
Axa	762	777
Bancaire (Cie)	424.80	429
BIC	540	545
Bouygues	489.50	491
BSN-GD	946	950
Carrefour	2137	2132
C.C.F.	150.90	151
Cerus	102.30	105
Chargeurs	863	865
Ciments Franc	277.50	280
Club Med	384.90	390.10
Elf-Aquitaine	355	368.10
Gen. Eaux	1964	1964
Eurodisneyland	131.70	131.70
Hachette	155.10	160
Havas	433	437
Imetal	222.50	222
Lafarge Coppee	306.60	303.90
Legrand	3615	3610
Lyon. Eaux	461	465.90
Oreal (L')	678	684
L.V.M.H.	3865	3930
Matra	150.60	150.60
Merlin Gerin	456.10	467.10
Michelin B	113.50	115.70
Moulinex	147.90	147.40
Paribas	324.50	335.50
Pechiney Intl	151.60	152
Pernod-Ricard	1215	1214
Perrier	1228	1238
Peugeot	554	566
Printemps (Au)	Susp.	—
Radiotechnique	450	469
Raff. St. Louis	1148	1158
Redoute (La)	4590	4640
Saint Gobain	414.10	420.90
Sanofi	953	960
S.E.B.	1621	1668
Ste Generale A	430	432.80
Suez	271.20	274.50
Thomson-CSF	136.30	142
Total	984	988
U.A.P.	469.90	469.50
Valeo	523	535

CAC 40 Index: 1663.37
Previous: 1685.72

Sao Paulo

	Close	Prev.
Banco do Brasil	44	42.50
Bradesco	18.70	18.50
Brahma	144	130
Paranapanema	7.25	7
Petrobras	3040	2800
Vale Rio Doce	46.10	42.10
Varig	90	93

Bovespa Index: 40575
Previous: 37628

Singapore

	Close	Prev.
Cerebos	2.56	2.56
City Dev.	3.64	3.64
DBS	11.50	11.60
Fraser Neave	8.55	8.55
Genting	6.55	6.50
Golden Hope Pl	1.31	1.31
Haw Par	2.45	2.45
Hume Industries	2.97	3.02
Inchcape	4.20	4.20
Keppel	7.45	7.50
KL Kepong	2.10	2.07
Lum Chang	0.99	0.97
Malayan Banking	3.96	3.82
OCBC	8.70	8.75
OUB	4.50	4.48
OUE	7.65	7.60
Sembawang	7.90	7.85
Shangrila	5.55	5.60
Sime Darby	2.17	2.17
SIA	12.90	12.90
S'pore Land	5.15	5.20
S'pore Press	8.80	8.75
Sing Steamship	2.51	2.47
Straits Trading	2.56	2.57
UOB	6.15	6.10
UOL	1.49	1.50

Straits Times Ind.: 1430.74
Previous: 1430.55

Stockholm

	Close	Prev.
AGA	300	308
Asea	280	282
Astra -A	493	496
Atlas Copco	243	243
Electrolux B	229	230
Ericsson	102	104
Esselte-A	107	108
Handelsbanken	100	99
Norsk Hydro	138	133.50
Procordia AF	195	195
Providentia	81	82
Sandvik A	347	345
SCA-A	105	107
S-E. Banken	54.50	56.50
Skandia F	145	144
Skanska	127	132
SKF	97	93
Stora	255	260
Trelleborg B	99	101
Volvo	339	344

Affaersvaerlden: 862.21
Previous: 867.64

Sydney

	Close	Prev.
ANZ	4.40	4.43
BHP	13.38	13.54
Boral	3.30	3.30
Bougainville	0.68	0.68
Coles Myer	11.92	11.88
Comalco	3.35	3.40
CRA	11.80	11.90
CSR	4.45	4.72
Dunlop	5.40	5.48
Fosters Brew	1.75	1.78
Goodman Field	1.56	1.58
ICI Australia	5.18	5.20
Magellan	2.15	2.15
MIM	2.04	2.04
Nat Aust Bank	7.95	7.92
News Corp	14.04	14.20
Nine Network	0.67	0.68
Pioneer Int'l	3.10	3.02
Nmndy Poseidon	1.16	1.15
N Broken Hill	2.46	2.50
QCT Resources	1.19	1.20
Santos	2.95	2.96
TNT	1.41	1.35
Western Mining	4.22	4.34
Westpac Banking	4.41	4.44
Woodside	3.78	3.93

All ordinaries index: 1580.80
Previous: 1583.80

Tokyo

	Close	Prev.
Akai Electr	826	834
Asahi Chemical	709	714
Asahi Glass	1140	1150
Bank of Tokyo	1460	1460
Bridgestone	1090	1080
Canon	1400	1400
Casio	1280	1280
C.Itoh	607	612
Dai Nippon Print	1460	1450
Daiwa House	1930	1920
Daiwa Securities	1180	1180
Fanuc	4030	4030
Fuji Bank	2430	2440
Fuji Photo	2790	2810
Fujitsu	816	828
Hitachi	920	925
Hitachi Cable	815	835
Honda	1510	1510
Ito Yokado	4460	4440
Japan Airlines	935	945
Kajima	1290	1280
Kansai Power	2820	2820
Kawasaki Steel	359	355
Kirin Brewery	1260	1280
Komatsu	710	713
Kubota	645	640
Kyocera	4380	4360
Matsu Elec Inds	1410	1400
Matsu Elec Wks	1270	1290
Mitsubishi Bk	2560	2600
Mitsubishi Kasei	518	523
Mitsubishi Elec	580	585
Mitsubishi Hev	673	673
Mitsubishi Corp	1240	1230
Mitsui and Co	744	738
Mitsukoshi	1190	1180
Mitsumi	1310	1290
NEC	1130	1160
NGK Insulators	1110	1120
Nikko Securities	875	875
Nippon Kogaku	888	887
Nippon Oil	902	910
Nippon Steel	368	367
Nippon Yusen	575	566
Nissan	674	665
Nomura Sec	1660	1640
NTT (SF)	8128	8180
Olympus Optical	1360	1360
Pioneer	3350	3380
Ricoh	602	617
Sanyo Elec	534	521
Sharp	1330	1330
Shimazu	707	711
Shinetsu Chem	1450	1480
Sony	4220	4250
Sumitomo Bk	2100	2120
Sumitomo Chem	466	472
Sumi Marine	989	981
Sumitomo Metal	367	368
Taisei Corp	840	834
Taisho Marine	965	970
Takeda Chem	1290	1290
TDK	4550	4630
Teijin	500	500
Tokyo Marine	1240	1250
Tokyo Elec Pw	3550	3520
Toppan Printing	1360	1350
Toray Ind.	615	625
Toshiba	620	623
Toyota	1460	1460
Yamaichi Sec	731	750

Nikkei 225: 22353
Previous: 22445
Topix Index: 1702
Previous: 1706

Toronto

	Close	Prev.
Abitibi Price	15	15⅛
Agnico Eagle	5	4.95
Air Canada	7½	7½
Alberta Energy	12¼	13⅛
Am Barrick Res	30¼	29⅞
BCE	46⅛	47⅛
Bk Nova Scotia	20⅛	20⅛
BC Gas	16	16⅛
BC Phone	21⅛	21⅛
BF Realty Hds	0.10	0.10
BP Canada	13	13
Bramalea	4⅛	4.55
Brunswick	6⅛	6⅛
CAE	6⅛	6⅛
Campeau	0.60	0.57
CIBC	31⅛	32⅛
Canadian Pacific	16⅝	17
Can Packers	16½	16½
Can Tire A	22⅛	22
Canadian Turbo	1.70	1⅞
Cantor	24½	24⅞
Cara	5½	5½
CCL Ind B	9½	9⅝
Cineplex	3	3.10
Cominco	22	22⅛
Conwest Expl A	9¼	9¼
Corona Intl	6¼	6½
Denison Min B	0.15	0.12
Dickenson Min A	3.40	3.40
Dofasco	16¾	16⅞
Dylex A	3.20	3¼
Echo Bay Mines	8⅝	8⅝
Equity Silver A	1⅛	1⅛
FCA Intl	4.55	4.55
Fed Ind A	7⅛	7⅝
Fletcher Chall A	14½	14⅝
FPI	6	6¼
GoldCorp	3¼	3.20
Grafton Group	2⅛	1
Gulf Cda Res	6¼	6½
Hees Intl	14⅛	14⅞
Hemlo Gld Mines	11⅞	11¼
Hollinger	12⅛	12⅞
Horsham	10¼	10⅛
Hudson's Bay	33⅛	34⅛
Imasco	33¼	34⅞
Inco	33	34
Interprov Pipe	30⅝	30⅞
Jannock	17	17
Labatt	26⅞	27¼
Loblaw Co	16⅛	16⅞
Mackenzie	6½	6½
Magna Intl A	18½	19⅛
Maritime	20¼	21
Mark Res	6¼	6½
MacLean Hunter	10⅞	10⅛
Molson A	28¼	30
Noma Ind A	5½	5½
Noranda Inc	17⅛	17½
Noranda Forest	7⅛	7⅝
Norcen Energy	24	24
Nova Corp	7⅛	7¼
Oshawa	19⅞	20
Pagurin A	5½	5⅝
Placer Dome	13⅛	13⅛
Poco Petroleum	5⅝	5⅞
PWA Corp	4.95	4.95
Quebec Sturgeon	0.27	0.30
Rayrock	5	5
Renaissance	12¼	12½
Rogers B	13¼	13⅛
Rothmans	74	74
Royal Bank Can	26	26½
Royal TrustCo	6¼	7
Sceptre Res	1⅛	1⅛
Scott's Hosp	15½	15½
Seagram	130¼	131½
Sears Can	10⅛	10⅛
Shell Can	37⅞	38½
Sherritt Gordon	7⅛	7⅛
SHL Systemhse	7⅛	7½
Southam	15½	15⅞
Spar Aerospace	15⅛	15⅛
Stelco A	N.Q.	—
Teck B	19½	19½
Thomson News	15¼	15⅝
Toronto Domn	17⅛	17⅛
Torstar B	20¼	20⅛
Transalta Util	13½	13⅛
TransCda Pipe	17½	17⅛
Trilon Finl A	9⅛	9⅛
Trimac	8½	8⅛
Trizec A	10⅛	10⅛
Unicorp Energy	0.65	0.65
Woodward's Ltd	1.90	1.95

TSE 300 Index: 3382.90
Previous: 3426.50

Zurich

	Close	Prev.
Adia Intl	398	405
Alusuisse	6	6
Leu Holdings	1670	1700
Brown Boveri	3240	3200
Ciba Geigy	2970	2960
CS Holding	1715	1710
Elektrow	2540	2580
Fischer	875	840
Interdiscount	2500	2550
Jelmoli	1510	1580
Landis Gyr	1070	1080
Moevenpick	3900	4450
Nestle	8420	8370
Oerlikon-B	256	262
Pargesa Hld	1100	1100
Roche Holding B	2575	2580
Safra Republic	74	75
Sandoz	2260	2230
Schindler	3400	3350
Sulzer	427	428
Surveillance	7500	7550
Swissair	685	674
SBC	300	300
Swiss Reinsur	477	476
Swiss Volksbank	1030	1050
Union Bank	3400	3380
Winterthur	3500	3430
Zurich Ins	1805	1790

SBS Index: 581.30
Previous: 588.10

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U.S. FUTURES

Via Associated Press Dec. 9

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.97	2.72½	Dec	3.83	3.86	3.81¼	3.85¼	
3.91	2.79	Mar	3.77	3.81½	3.75	3.80¾	+.01
3.69	2.80½	May	3.55	3.59¼	3.54½	3.58¼	+.01
3.40	2.79	Jul	3.26	3.30	3.25½	3.29¾	+.02¼
3.41	2.92	Sep	3.32	3.34½	3.30½	3.34½	+.01½
3.51	3.29½	Dec	3.39½	3.45	3.39½	3.47	+.01¾
Est. Sales Prev. Sales 21,651							
Prev. Day Open Int. 51,971 off 910							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Dec	3.82	3.85¼	3.82	3.84	— .02
		Mar	3.80	3.83½	3.80	3.82½	— .01½
		May	3.58½	3.60½	3.58½	3.62½	
		Jul	3.30	3.35	3.29	3.35	+ .01½
		Sep	3.36½	3.38½	3.35½	3.38½	+ .00½
Est.Sales	Prv.Sales 10,317	Prev.Day Open Int 34,065	Chg. —812				
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.75	2.20	Dec	2.36¼	2.39	2.36¼	2.38¾	+.01½
2.77¼	2.28½	Mar	2.45¼	2.47¼	2.45½	2.47½	+.01
2.79½	2.34¾	May	2.52½	2.54	2.52	2.53¾	+.00¾
2.82	2.39½	Jul	2.57½	2.59¼	2.57¼	2.59	+.00¾
2.65	2.36½	Sep	2.55½	2.56¾	2.55	2.56½	+.01
2.60¾	2.36½	Dec	2.53½	2.55¾	2.53	2.54¾	+.00½
2.67½	2.59¾	Mar	2.61	2.62¼	2.60½	2.60¾	—.00½
Est. Sales Prev. Sales 30,774							
Prev. Day Open Int. 230,849 off 2,410							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.59	5.27½	Jan	5.54	5.57½	5.49½	5.54	—.01¼
6.66	5.38	Mar	5.60	5.64½	5.57	5.61	—.01¼
6.68	5.47	May	5.68	5.71½	5.65	5.68¼	—.01¼
6.68	5.62½	Jul	5.73½	5.79½	5.73	5.75¾	—.01
6.40	5.73	Aug	5.77¼	5.78½	5.77¼	5.77½	—.03¼
6.28	5.57	Sep	5.78½	5.83	5.78½	5.78	—.05
6.20¾	5.52	Nov	5.81	5.86¼	5.81	5.85½	+.01¾
5.97½	5.58	Jan				5.95½	+.02
6.04	6.04	Mar	6.02	6.04	6.02	6.05	+.01½
Est. Sales Prev. Sales 24,902							
Prev. Day Open Int. 111,245 off 451							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
198.50	160.00	Dec	172.50	174.00	172.20	173.30	—.20
197.00	161.30	Jan	170.70	172.60	170.50	171.80	+.20
197.00	163.50	Mar	169.50	171.50	169.40	170.60	+.20
194.00	164.50	May	169.80	171.90	169.80	171.40	+.60
196.00	166.00	Jul	171.90	173.50	171.50	173.10	+.50
188.50	172.30	Aug	173.00	173.80	173.00	173.90	+.70
186.00	172.00	Sep	173.00	174.70	173.00	174.00	+.40
194.00	182.30	Oct	186.50	188.50	186.50	188.50	+1.50
196.00	183.50	Dec	189.20	191.00	189.00	190.50	+1.00
Est. Sales Prev. Sales 12,409							
Prev. Day Open Int. 72,126 up 906							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
24.05	4 00	Dec	19.38	19.38	19.07	19.18	—.27
24.15	18.65	Jan	19.48	19.48	19.13	19.20	—.33
24.10	18.90	Mar	19.72	19.78	19.42	19.51	—.31
23.90	19.36	May	20.06	20.06	19.73	19.79	—.29
24.30	19.65	Jul	20.30	20.30	19.99	20.03	—.27
22.30	19.85	Aug	20.40	20.40	20.15	20.22	—.22
22.30	20.00	Sep	20.55	20.55	20.20	20.22	—.33
22.30	20.00	Oct	20.40	20.40	20.40	20.22	—.33
22.60	20.30	Dec	20.55	20.55	20.55	20.55	—.33
20.50	20.50	Jan				20.52	—.33
Est. Sales Prev. Sales 18,237							
Prev Day Open Int. 64,948 off 485							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
77.27	71.15	Dec	73.20	73.42	72.85	73.35	+.28
76.70	71.00	Feb	74.42	74.80	74.27	74.65	+.28
77.00	72.10	Apr	74.55	74.92	74.40	74.82	+.52
75.15	69.30	Jun	70.20	70.70	70.20	70.55	+.38
72.60	67.80	Aug	68.47	68.85	68.40	68.55	+.33
72.00	68.30	Oct	68.90	69.15	68.90	69.15	+.20
71.60	69.50	Dec	70.00	70.15	70.00	70.07	+.12
Est. Sales 15,680 Prev. Sales 19,490							
Prev. Day Open Int 81,701 off 542							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
87.80	80.05	Jan	81.10	81.80	81.10	81.65	+.70
87.10	77.42	Mar	78.40	79.10	78.35	79.00	+.85
87.00	76.47	Apr	77.22	78.07	77.22	77.97	+.92
86.50	75.40	May	76.30	77.05	76.30	76.95	+.80
83.00	75.50	Aug	76.40	76.75	76.35	76.65	+.90
82.20	75.05	Sep	76.00	76.10	76.00	76.10	+.90
79.50	74.70	Oct	75.62	75.80	75.62	75.80	+.60
83.00	75.05	Nov				75.55	+.50
Est. Sales 1,771 Prev. Sales 2,146							
Prev. Day Open Int. 9,649 off 105							
HOGS (CME) 40,000 lbs.- cents per lb.							
48.92	40.37	Dec	41.65	41.87	41.35	41.42	—.30
48.25	40.82	Feb	41.40	41.55	41.15	41.25	—.15
46.62	38.95	Apr	39.60	39.77	39.37	39.65	+.15
50.60	44.30	Jun	44.80	44.90	44.32	44.75	—.15
48.70	44.50	Jul	44.65	44.90	44.65	44.90	—.05
46.85	43.35	Aug	43.80	43.80	43.75	43.75	—.05
42.00	40.25	Oct	40.50	40.70	40.50	40.60	+.10
42.75	41.25	Dec				41.32	
Est. Sales 4,317 Prev. Sales 6,568							
Prev. Day Open Int. 20,058 off 922							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
63.00	37.40	Feb	38.20	38.50	37.87	38.37	+.12
61.00	37.62	Mar	38.50	38.67	38.12	38.47	
58.20	38.65	May	39.60	39.80	39.37	39.82	+.07
57.00	39.05	Jul	40.00	40.00	39.90	40.22	+.12
51.00	38.50	Aug	39.05	39.05	39.05	38.60	—.42
Est. Sales 2,548 Prev. Sales 2,813							
Prev. Day Open Int 13,381 off 83							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
116.00	76.00	Dec	76.55	76.55	75.75	76.10	—.40
107.50	80.05	Mar	80.40	80.50	79.70	80.15	—.50
108.00	82.85	May	83.20	83.20	82.55	82.75	—.45
108.00	85.60	Jul	86.00	86.00	85.40	85.60	—.45
108.00	88.50	Sep	88.70	88.70	88.15	88.30	—.45
107.25	91.90	Dec	92.00	92.00	91.50	91.90	—.60
		Mar	94.75	94.75	94.75	95.10	—.25
Est. Sales 5,494 Prev. Sales 6,551							
Prev. Day Open Int. 38,461 up 452							
SUGAR-WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
10.14	7.56	Mar	8.79	9.10	8.75	9.09	+.26
9.77	7.65	May	8.74	9.02	8.74	9.02	+.27
9.16	7.80	Jul	8.74	9.00	8.74	9.00	+.25
9.06	7.93	Oct	8.75	9.00	8.73	9.00	+.25
9.04	8.20	Mar				8.94	+.22
		May				8.90	+.19
Est Sales 16,499 Prev. Sales 17,692							
Prev Day Open Int. 95,049 off 1,641							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1535	953	Dec	1230	1230	1226	1227	—4
1538	997	Mar	1280	1280	1262	1265	—19
1388	1026	May	1318	1318	1300	1300	—20
1410	1056	Jul	1342	1343	1328	1330	—19
1475	1080	Sep				1350	—19
1460	1119	Dec				1395	—19
1490	1272	Mar				1425	—19
1465	1210	May				1447	—19
1485	1294	Jul				1470	—19
1536	1455	Sep				1488	—19
Est. Sales Prev. Sales 4,049							
Prev. Day Open Int. 52,415 off 81							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
178.80	112.65	Jan	164.75	164.80	161.00	161.25	—3.55
178.40	113.60	Mar	166.10	166.10	162.60	162.95	—3.30
177.95	115.00	May	166.00	166.00	163.00	163.25	—3.15
175.50	115.25	Jul	162.50	162.50	162.50	162.95	—3.30
175.00	118.00	Sep	162.50	162.50	162.50	161.35	—3.30
165.50	118.00	Nov	154.50	154.50	154.50	152.00	—2.30
163.00	126.00	Jan	150.00	150.00	150.00	150.00	—2.45
		Mar				150.00	—2.45
		May				150.00	—2.45
Est. Sales 1,800 Prev. Sales 946							
Prev. Day Open Int. 9,246 off 27,102							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
108.50	94.50	Dec	98.50	99.60	98.50	98.65	—.25
106.60	95.00	Jan	98.60	99.40	98.50	98.50	—.30
105.70	95.00	Feb	98.80	98.90	98.50	98.50	—.38
106.80	93.90	Mar	98.20	99.10	98.05	98.10	—.40
103.00	93.50	Apr				97.90	—.45
106.20	93.30	May	97.70	98.45	97.70	97.75	—.45
102.00	95.10	Jun				97.70	—.35
103.80	92.80	Jul	97.85	98.20	97.60	97.40	—.50
101.00	98.70	Aug				97.25	—.45
102.45	92.80	Sep	97.60	97.70	97.35	97.15	—.45
99.80	99.50	Oct	97.40	97.40	97.40	97.00	—.38
98.40	98.40	Nov	97.20	97.20	97.20	96.80	—.38
101.10	91.60	Dec	97.10	97.20	97.00	96.65	—.25
98.00	2.50	Jan				96.30	—.25
100.50	92.80	Mar				95.90	—.25
99.30	93.70	May	96.25	96.40	96.25	95.50	—.25
97.40	96.40	Jul				95.15	—.25
96.45	96.25	Sep				94.75	—.25
Est. Sales 6,200 Prev. Sales 11,297							
Prev. Day Open Int. 42,831 up 2,089							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
623.5	374.0	Dec	404.0	405.0	401.5	401.1	—1.0
596.0	391.0	Jan	401.8	401.0	401.0	402.8	—1.0
413.0	413.0	Feb	407.0	407.0	407.0	404.3	—1.1
613.0	382.0	Mar	411.0	411.0	405.5	405.8	—1.2
589.0	385.0	May	413.5	414.0	409.8	409.4	—1.3
537.0	395.0	Jul	417.0	417.0	414.5	412.8	—1.3
483.0	408.0	Sep				416.3	—1.3
507.0	408.0	Dec	426.0	426.0	422.0	421.7	—1.5
505.0	427.0	Jan				422.7	—1.6
513.0	429.0	Mar				427.6	—1.7
473.0	435.5	May				432.0	—1.8
470.5	439.0	Jul				436.2	—1.8
450.0	444.5	Sep				440.9	—1.8
Est. Sales 7,000 Prev. Sales 10,158							
Prev. Day Open Int. 83,839 up 665							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
451.50	334.50	Jan	374.00	376.00	371.40	371.60	—1.70
438.50	339.50	Apr	377.60	378.50	374.00	374.10	—1.70
427.50	342.00	Jul	380.00	380.10	380.00	376.30	—1.70
404.00	356.50	Oct	386.50	386.50	386.50	382.30	—1.70
384.00	384.00	Jan				384.50	—1.50
Est. Sales 2,022 Prev. Sales 2,411							
Prev. Day Open Int. 13,790 up 634							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
114.50	78.00	Dec	85.00	85.00	84.00	84.50	+.45
135.75	80.30	Mar	86.00	86.25	85.50	85.70	+.45
101.75	83.50	Jun	87.05	87.05	87.05	86.30	+.45
90.20	87.25	Dec				88.85	+.45
Est. Sales 110 Prev. Sales 105							
Prev. Day Open Int. 3,799 up 25							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
483.00	346.00	Dec	372.00	372.50	369.50	369.30	—.10
363.00	363.00	Jan				370.20	—.20
456.50	349.80	Feb	374.20	374.90	371.50	371.60	—.30
446.00	354.00	Apr	377.00	377.20	373.70	373.90	—.40
467.00	355.00	Jun	379.20	379.50	376.70	376.20	—.40
426.50	359.60	Aug	380.10	380.10	380.10	378.40	—.40
410.80	364.20	Oct	383.40	383.40	380.50	381.00	—.40
406.80	366.00	Dec	386.00	386.00	384.50	383.50	—.40
404.20	378.00	Feb				386.10	—.40
410.00	375.00	Apr				388.60	—.40
411.80	376.40	Jun	393.50	393.50	393.50	391.20	—.40
394.50	394.50	Aug	389.50	395.50	395.50	394.00	—.50
		Oct				397.00	—.50
Est. Sales 25,000 Prev. Sales 30,433							
Prev. Day Open Int. 112,688 up 3,932							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
95.80	92.24	Dec	95.78	95.84	95.78	95.83	+.08
96.05	93.42	Mar	96.02	96.04	96.01	96.03	+.06
95.95	93.15	Jun	95.97	95.99	95.95	95.97	+.08
95.74	93.87	Sep	95.81	95.84	95.81	95.83	+.11
95.36	93.98	Dec				95.38	+.12
Est. Sales 9,330 Prev. Sales 13,591							
Prev. Day Open Int. 57,163 off 291							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
106.375	98.190	Dec	106.170	106.260	106.170	106.260	+.140
106.100	99.250	Mar	105.150	105.300	105.150	105.300	+.135
104.110	103.110	Jun				105.020	+.815
Est. Sales Prev. Sales 27,802							
Prev. Day Open Int. 102,243 off 2,248							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
105-14	95-15	Dec	104-20	104-26	104-19	104-26	+13
105-15	95-8	Mar	103-17	103-30	103-17	103-29	+11
103-15	98-17	Jun	102-30	103-1	102-27	102-31	+9
102-19	100-21	Sep				102-4	+10
Est. Sales Prev. Sales 58,490							
Prev. Day Open Int. 93,290 off 3,960							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
102-10	85-19	Dec	101-11	101-24	101-10	101-21	+6
101-10	85-14	Mar	100-15	100-25	100-10	100-22	+6
100-8	85-3	Jun	99-11	99-25	99-11	99-21	+6
99-5	87-14	Sep	98-14	98-14	98-14	98-21	+6
98-4	85-6	Dec	97-19	97-21	97-16	97-20	+5
97-10	90-16	Mar	96-19	96-22	96-19	96-22	+5
96-6	90-22	Jun				95-26	+5
94-14	90	Sep				94-31	+4
94-21	92-18	Dec				94-6	+4
94-21	90	Mar	93-20	93-20	93-20	93-15	+4
		Jun				92-26	+4
Est. Sales Prev. Sales 469,486							
Prev. Day Open Int. 309,186 off 9,714							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
95-25	1-22	Dec	94-21	94-24	94-20	94-20	—1
95-4	88	Mar	94-15	94-24	94-15	94-19	+5
94-13	93-4	Jun	94-9	94-9	94-9	94-9	+5
Est. Sales Prev. Sales 6,949							
Prev. Day Open Int. 18,151 up 309							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
95.32	90.04	Dec	95.35	95.40	95.35	95.39	+.12
95.52	90.09	Mar	95.55	95.62	95.54	95.61	+.13
95.48	90.35	Jun	95.39	95.48	95.39	95.47	+.14
95.20	90.32	Sep	95.18	95.27	95.18	95.26	+.14
94.69	90.24	Dec	94.66	94.74	94.65	94.74	+.14
94.47	90.28	Mar	94.44	94.53	94.43	94.52	+.14
94.07	90.27	Jun	94.02	94.10	94.01	94.09	+.11
93.71	90.27	Sep	93.64	93.70	93.64	93.69	+.08
92.23	90.22	Dec	93.16	93.18	93.15	93.18	+.05
93.18	90.24	Mar	93.09	93.11	93.09	93.11	+.04
92.94	90.40	Jun	92.88	92.88	92.86	92.88	+.04
92.72	90.36	Sep	92.45	92.67	92.64	92.66	+.04
92.39	90.71	Dec	92.32	92.35	92.32	92.34	+.03
92.40	90.75	Mar	92.33	92.37	92.32	92.35	+.03
92.26	90.71	Jun	92.19	92.23	92.18	92.21	+.03
92.12	91.31	Sep	92.05	92.09	92.05	92.07	+.03
Est. Sales 146,192 Prev. Sales 315,441							
Prev. Day Open Int. 121,601 up 15,498							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.8158	1.5670	Dec	1.8058	1.8132	1.8032	1.8090	—56
1.7900	1.5670	Mar	1.7780	1.7854	1.7770	1.7828	—62
1.7650	1.6510	Jun	1.7580	1.7580	1.7550	1.7574	—66
Est. Sales 19,896 Prev. Sales 21,996							
Prev. Day Open Int. 31,574 off 339							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8906	.8175	Dec	.8795	.8800	.8792	.8798	+7
.8856	.8248	Mar	.8738	.8745	.8733	.8740	+5
.8820	.8330	Jun				.8685	+5
.8774	.8420	Sep				.8632	+5
.8740	.8520	Dec				.8585	+5
.8712	.8545	Mar				.8540	+5
Est. Sales 13,735 Prev. Sales 7,101							
Prev. Day Open Int. 23,883 off 970							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6770	.5365	Dec	.6346	.6375	.6345	.6353	—18
.6300	.5353	Mar	.6269	.6299	.6267	.6276	—19
.6235	.5322	Jun	.6200	.6220	.6195	.6200	—21
.6115	.5685	Sep	.6134	.6134	.6134	.6134	—22
.6070	.5950	Dec	.6106	.6106	.6106	.6074	—25
Est. Sales 59,462 Prev. Sales 64,785							
Prev. Day Open Int. 89,210 off 1,720							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007828	.006997	Dec	.007799	.007805	.007794	.007798	—16
.007808	.007000	Mar	.007768	.007777	.007755	.007762	—18
.007780	.007150	Jun	.007745	.007745	.007743	.007740	—18
.007710	.007280	Sep	.007745	.007745	.007735	.007728	—19
.007795	.007512	Dec	.007736	.007736	.007736	.007724	—20
		Mar				.007725	—23
Est. Sales 26,974 Prev. Sales 36,352							
Prev. Day Open Int. 72,938 up 163							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8090	.6240	Dec	.7186	.7214	.7179	.7192	—24
.7162	.6267	Mar	.7124	.7153	.7118	.7131	—26
.7085	.6546	Jun	.7075	.7083	.7075	.7072	—28
.6890	.6890	Sep				.7025	—30
Est. Sales 26,054 Prev. Sales 30,847							
Prev. Day Open Int. 36,433 up 2,527							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
77.15	58.35	Mar	58.91	59.19	58.61	59.15	+.24
92.25	59.51	May	60.15	60.39	59.81	60.39	+.24
77.70	60.35	Jul	61.10	61.40	60.80	61.35	+.23
70.60	62.30	Oct	63.45	63.45	63.45	63.65	+.39
69.00	62.35	Dec	63.70	64.10	63.70	64.08	+.28
67.30	64.25	Mar				65.28	+.28
		May				65.88	+.30
Est. Sales 3,000 Prev. Sales 4,441							
Prev. Day Open Int. 36,409							
HEATING OIL (NYME) 42,000 gal- cents per gal							
72.50	53.40	Jan	56.70	56.70	53.90	54.25	—2.89
70.70	52.25	Feb	57.50	57.50	54.90	55.40	—2.67
67.00	51.40	Mar	56.40	56.60	54.65	55.20	—1.91
63.65	50.00	Apr	55.20	55.20	53.60	54.10	—1.50
61.60	48.25	May	53.80	53.80	52.30	52.30	—1.50
60.20	48.00	Jun	52.80	52.80	51.60	51.60	—1.30
59.65	51.60	Jul	52.90	52.90	51.70	51.75	—1.00
59.75	52.75	Aug	53.20	53.20	52.60	52.70	—.80
60.90	53.75	Sep	54.60	54.60	54.00	54.00	—.75
61.70	56.50	Oct	55.75	55.75	55.00	55.50	—.75
62.60	57.60	Nov	56.50	56.50	56.25	56.45	—.30
63.50	58.50	Dec	58.00	58.05	57.10	57.25	—.50
63.75	63.50	Jan	58.25	58.25	57.50	57.50	—.45
		Feb	57.30	57.30	57.30	57.30	
Est. Sales 57,511 Prev. Sales 37,363							
Prev. Day Open Int. 117,125 off 283							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
27.60	17.25	Jan	19.90	19.92	19.30	19.38	—.66
27.00	17.50	Feb	19.92	19.92	19.28	19.39	—.62
26.75	17.25	Mar	19.85	19.86	19.30	19.39	—.54
26.50	17.50	Apr	19.80	19.80	19.32	19.42	—.45
24.60	17.30	May	19.60	19.71	19.32	19.45	—.37
24.50	17.70	Jun	19.60	19.68	19.35	19.37	—.40
22.11	17.90	Jul	19.60	19.65	19.33	19.38	—.38
21.80	17.75	Aug	19.60	19.63	19.35	19.38	—.32
24.00	17.78	Sep	19.60	19.68	19.35	19.38	—.30
21.56	18.85	Oct	19.60	19.63	19.40	19.50	—.18
21.48	19.72	Nov	19.62	19.62	19.45	19.45	—.22
24.00	18.25	Dec	19.62	19.62	19.41	19.52	—.17
21.36	19.72	Jan	19.60	19.62	19.46	19.46	—.21
21.29	20.13	Feb	19.55	19.55	19.45	19.45	—.21
21.26	18.51	Mar	19.60	19.60	19.60	19.60	—.06
21.35	19.90	Jun	19.64	19.64	19.64	19.64	—.07
Est. Sales 123,854 Prev. Sales 103,383							
Prev. Day Open Int. 282,477 up 6,049							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
65.15	47.00	Jan	54.50	55.00	52.90	53.20	—1.70
64.90	50.70	Feb	54.50	55.35	53.85	54.15	—1.51
65.65	50.50	Mar	56.50	56.70	55.50	55.50	—1.66
69.60	57.30	Apr	61.40	61.60	60.50	61.00	—1.01
69.00	57.30	May	61.88	61.80	60.60	61.00	—1.04
67.70	58.00	Jun	60.50	60.57	60.00	60.00	—1.07
66.20	58.60	Jul	59.40	59.40	58.50	58.75	—1.09
64.65	58.00	Aug	58.10	58.10	57.70	57.80	—.74
60.20	55.75	Oct	55.30	55.30	54.45	54.45	—.65
Est. Sales 31,658 Prev. Sales 25,345							
Prev. Day Open Int. 121,849 up 2,632							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
401.50	321.75	Dec	379.70	381.90	377.60	378.85	—.40
403.20	372.90	Mar	381.40	383.45	379.00	380.40	—.75
401.80	374.50	Jun	383.00	383.00	383.00	381.75	—.65
398.70	379.00	Sep				383.30	—1.20
Est. Sales Prev. Sales 74,831							
Prev. Day Open Int. 162,650 off 1,073							
NYSE COMP. INDEX (NYFE) points and cents							
220.50	175.50	Dec	209.80	211.10	208.70	209.40	—.40
221.20	205.70	Mar	210.60	211.85	209.40	210.25	—.35
220.10	206.50	Jun	211.25	211.25	211.25	211.00	—.35
221.00	217.50	Sep				211.85	—.35
Est. Sales Prev. Sales 7,791							
Prev. Day Open Int. 7,127 up 6							

Commodity Indexes

	Close	Previous
Moody's	983.20	985.00
Reuters	1,612.70	1,621.20
D.J. Futures	121.43	121.25
Com. Research	211.64	212.36

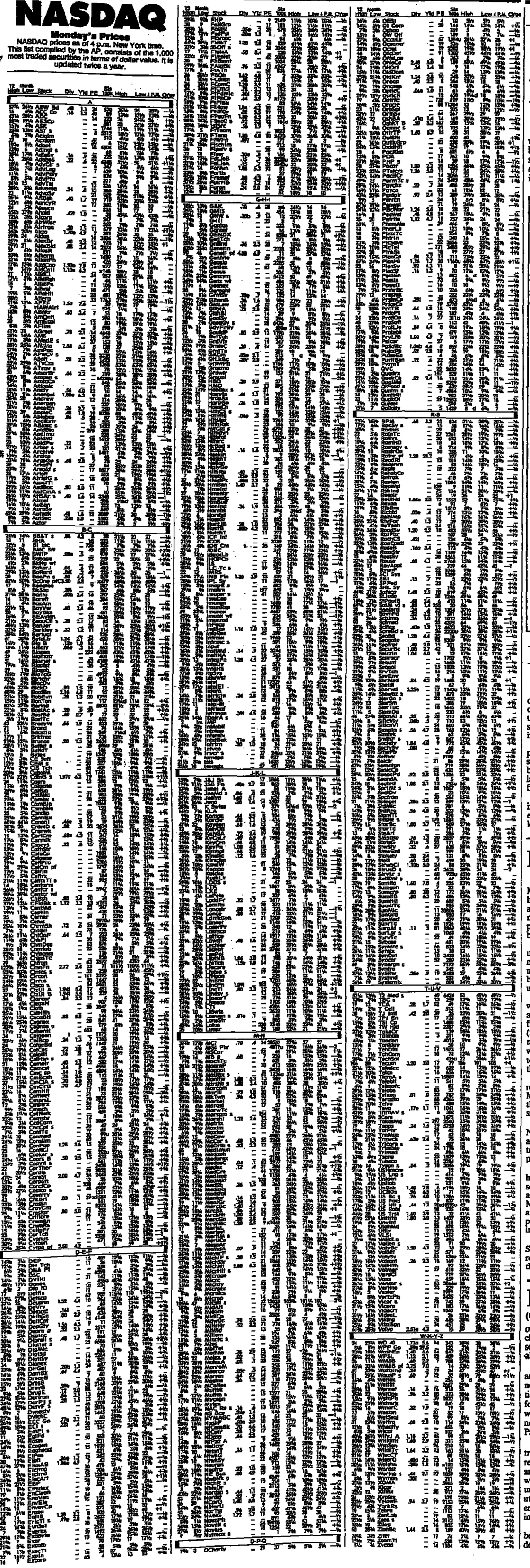
NAS[DAQ] Monday
NASDAQ prices as of ... This list compiled by the ... most traded securities ... updated ...

مركز الأهرام

NASDAQ

Monday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



Shoppers Don't Aid British Recovery

Reuters

LONDON — A surprisingly weak set of retail sales and credit-business figures for October showed that the British consumer entered the fourth quarter unwilling to help spend the country out of the current economic slump, economists said.

"The British consumer is not the driving force behind an economic recovery," said Nick Parsons, head of the treasury advisory group at Canadian Imperial Bank of Commerce. "With Lamont's forecasts already in question, the fourth quarter has started badly for the government," he said, referring to Norman Lamont, chancellor of the Exchequer.

In his autumn economic statement, Mr. Lamont forecast a 2.5 percent rise in personal spending in 1992.

Final figures for retail sales volume in October showed a 0.6 percent fall on the month compared with a provisional 0.5 percent decline, making a year-on-year fall of 0.1 percent.

Credit business in October showed a £76 million ($137 million) fall in the amount of consumer credit outstanding, indicating that the man in the street is more willing to repay debt than to spend or take on fresh loans.

The drop in credit outstanding is the third consecutive monthly fall and includes a record £140 million drop in consumer credit taken out with finance houses and other specialist credit grantors, although this was offset to some extent by a £69 million rise in credit-card debt.

"While the U.K. economy is probably showing some slightly positive growth, as a whole it is still very weak indeed," said Andrew Milligan, U.K. economist at the brokerage Smith New Court.

"The provisional figures for November next Monday are going to be looked at extremely closely now to see if there is any pick-up in spending," he added.

The Treasury stuck to its guns, saying a number of factors point to a recovery in consumer demand over the next year with consumer confidence back to its long-run average level and inflation and interest rates lower.

Stockholders Rush for Exit At Printemps

Reuters

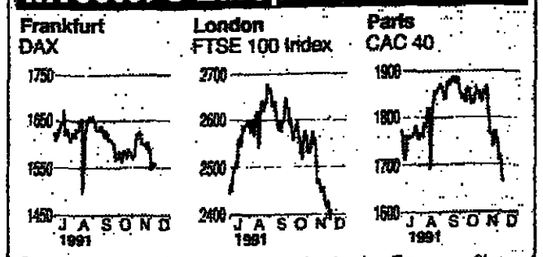
PARIS — Stockholders in Au Printemps SA, upset by unequal treatment in Pinault SA's takeover bid, rushed to sell Monday as the Paris Bourse tried unsuccessfully to reopen trading in the stock after a two-week suspension.

At the same time, a lawyer for minority shareholders, Georges Berlioz, said they would this week ask a court to overturn the French regulator CBV's approval of Pinault's bid for two-thirds of the retailer's stock. The holders want Pinault to be obliged to bid for all the stock. Under the current arrangement, minority holders will not be able to sell all their shares at the 1,105 francs ($206.25) a share Pinault is offering.

An imbalance of sell over buy orders blocked the attempt to trade Printemps stock, which had last traded at 848 francs on Nov. 22, the day of the bid. The theoretical price of the stock, determined by electronic averaging of buy and sell prices, was 790 francs a share on Monday.

The exchange will try to open the stock Tuesday at 899 francs, a price determined by applying standard circuit-breakers to the fall from the bid price of 1,105 francs.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	88.00	88.00	Unch.
Brussels	Stock Index	Closed	5,357.53	-
Frankfurt	DAX	1,559.05	1,558.18	+0.06
Frankfurt	FAZ	638.77	638.02	+0.12
Helsinki	HEX	801.10	803.50	-0.30
London	Financial Times 30	1,830.00	1,802.80	+1.51
London	FTSE 100	2,409.60	2,388.70	+0.87
Madrid	General Index	Closed	243.74	-
Milan	MIB	937.00	952.00	-1.58
Paris	CAC 40	1,683.37	1,685.72	-1.33
Stockholm	Affarsvarlden	862.21	867.64	-0.63
Vienna	Stock Index	430.89	435.54	-1.07
Zurich	SBS	581.30	580.10	+0.21

Sources: Reuters, AFP — International Herald Tribune

Very briefly:

• **Karstadt AG**, the German retail chain, has signed a cooperation agreement with Gum, the Moscow-based retailer, to supply it with clothing, shoes and linens and to train Gum sales personnel.

• **Eastern German industrial production** rose 8.9 percent in September from the previous month after a fall of 3.2 percent in August, but production fell 29.6 percent from the year-ago period, the German Ministry of Economics said.

• **Delft Instruments NV** of the Netherlands said it would buy the Berlin-based medical-electronics division of Germany's **Robert Bosch GmbH** as of April 1 next year.

• **Matra**, the French electronics and auto company, has been rebuffed by the EC Court of Justice in its bid to prevent Portugal from contributing 547 million Ecus ($702 million) toward a **Ford Motor Co.** and **Volkswagen** joint venture to produce passenger vans.

• **STET SpA**, the Italian telecommunications group, has agreed to form a software joint venture in Italy with U.S.-based **Bell Atlantic Corp.**

• **Toyota Motor Corp.** said it was raising its target of EC auto sales to 750,000 units a year by between 1995 and 1997, from its present 450,000 units a year.

• **MALEV Hungarian Airlines** has decided to offer for sale a significant minority stake and has authorized Credit Suisse First Boston Ltd. to solicit interest from potential strategic partners. *Reuters, AFX, BBN*

Bid Ruling Lifts Wagons-Lits Stock

Compiled by Our Staff From Dispatches

BRUSSELS — The stock price of Wagons-Lits SA, buoyed by a court ruling in the takeover bid for the travel and tourism company, surged Monday after a suspension in trading that lasted nearly a week.

Wagons-Lits initially jumped 27 percent to 11,300 Belgian francs a share, but fell back to 10,000 francs by the close, up 12.5 percent. It had last traded last Tuesday at 8,890 francs.

Computer problems halted trading Monday on the Brussels stock exchange, but an open outcry market was held for Wagons-Lits alone.

Brokers said the jerky movements of the price reflected investor uncertainty over the scope of a court ruling that ordered the bidder, the French hotel concern Accor SA, to raise the price offered certain minority shareholders.

Last Wednesday, a Belgian judge ordered Accor's Cobefin subsidiary to pay three minority shareholders 12,500 Belgian francs a share in its 22 billion franc ($677.5 million) bid for the 73 percent of Wagons-Lits it does already not own. Cobefin had offered to pay 8,650 francs a share.

The additional money it might have to pay for the shares could add 6 billion francs to the bid price.

The ruling left unclear the question of whether other shareholders would get the higher price. Accor is appealing against the order.

"There is a big margin of uncertainty, which explains the rather chaotic state of the market," said Patrick de Bellefroid, partner at the Brussels brokerage Puilaetco. "There is a fundamental question: Who will benefit from a price of 12,500 francs?"

Cobefin said it would pay the higher price if it lost its appeal against the ruling. *(Reuters, AFP)*

Vickers Denies Talks on Rolls

Reuters

LONDON — Vickers PLC said Monday that in view of lower sales volumes it was reviewing the "many options" for its car business but was not engaged in discussion to sell Rolls-Royce Motor Cars.

Vickers said it had received expressions of interest and would consider all options in the best interests of shareholders. It said it would make an announcement at the appropriate time.

MAXWELL: *Stakes Rise in Hunt*

(Continued from page 1)

Mr. Maxwell's empire because he had pledged shares as collateral against loans to his private companies, Mr. Stone said. When the stock price began falling last summer, the banks demanded more collateral.

Mr. Stone said he concluded that unless the private Maxwell companies raised $720 million to $900 million in new cash, "there was no basis for them to be able to continue operations."

Kevin Maxwell's private assets, which include homes in London and Oxfordshire, England, were frozen up to a value of £450 million ($814 million). Mr. Maxwell returned to Britain from New York, where he had been engaged in attempts to save the Daily News over the weekend.

Kevin and Ian Maxwell were directors of Bishopsgate Investment Management Ltd., a private firm that managed several of the pension funds.

The High Court on Sunday gave Neil Cooper of the Robson Rhodes accounting firm sweeping powers to trace pension assets as Bishopsgate's provisional liquidator.

"We have obtained orders on behalf of the provisional liquidators, some against Kevin and some against Ian," said a spokesman for Mr. Cooper. "Those against Kevin are more stringent because it appears he is the one most closely involved in running Bishopsgate."

Christopher Stoakes, a partner in Stephenson Harwood, the solicitors representing Robson Rhodes, said the High Court injunction prevented Kevin Maxwell from disposing of his private assets and any Bishopsgate assets under his control. "We do have an idea of the people who hold the assets," he said.

Kevin Maxwell asked the High Court to let him go to New York on Tuesday for talks to try to save the Daily News, the tabloid paper that his father bought last year, apparently saving it from closing.

In the month since Robert Maxwell went overboard from his luxury yacht off the Canary Islands, his worldwide publishing business, burdened with debts of up to $5 billion, has unraveled at startling speed.

Revelations that Mr. Maxwell knew he was on the verge of exposure for illegal share trading just before he died set off new speculation that he might have taken his own life.

A source close to the Spanish investigation said pathologists were unable to find positive proof of the cause of death. The source, who spoke on condition of anonymity, said the final autopsy report sticks with the initial conclusion that Mr. Maxwell very likely fell overboard after suffering a heart attack.

The Spanish source said suicide could not be ruled out.

Lonrho PLC, the conglomerate that owns The Observer, a Sunday newspaper, joined the list of possible buyers of Mirror Group. Pearson PLC, which publishes The Financial Times, has already expressed an interest, while Richard Stott, editor of the Daily Mirror, is trying to organize a staff buyout. *(Reuters, AP, AFP, UPI)*

PANAM: *Bad Faith From Delta?*

(Continued from first finance page)

on Pan Am to buy their tickets, check their bags and reserve their seats through Delta, never materialized.

Delta did run splashy three-page advertisements promoting Delta's new shuttle and European destinations, in which it also made a pitch for the new Pan Am. But in recent weeks the only ads devoted to the new Pan Am were paid for from Pan Am's shrinking coffers.

"One of the big benefits of the transaction was supposed to be the relationship of Pan Am and Delta and the marketing power Delta would bring," said Peter A. Pappas, until recently Pan Am's No. 2 executive. "I don't believe there were enough Delta people out there selling Pan Am."

But Mr. Pappas said he did not believe that Delta was guilty of a double-cross.

L. John Eichner, the chairman of Simat, Helliesen & Eichner, an airline consulting firm, does not buy the double-cross theory, either.

"I think their offer was for real," he said. "I'm not questioning their good faith, just their competence. This was a package deal, and the fact they walked away from something that was a package deal doesn't leave them blameless."

There is no question that Delta was feeling some heat for cutting a $1.7 billion deal with Pan Am's creditors that was far sweeter than the next highest offer.

Concerned about the short-term impact on Delta's earnings, investors had driven the stock down 21.5 percent, between Aug. 11 when the deal was made and last Tuesday. Since then, Delta's share price has climbed 4.6 percent. The rating agencies, meanwhile, have lowered Delta's debt to levels barely above the speculative grades.

Compromise Is Seen On German Tax Plan

Reuters

BONN — Signs of a breakthrough in talks between the German government and the opposition over tax reform emerged on Monday as the ruling coalition showed willingness to compromise on plans to lower corporate taxes.

But members of Chancellor Helmut Kohl's coalition and the opposition Social Democrats did not reach any agreement during the first day of talks to find a compromise on the overall plan for tax reform. Talks were to continue Tuesday.

Mr. Kohl's plan calls for a rise in value-added tax to 15 percent from 14 percent in 1993 and a reduction in corporate taxes. It has been rejected by the social Democrat-dominated upper house because the opposition party rejects an increase in consumer taxes while lowering corporate taxes.

The coalition-dominated lower house has approved the reform plan, but it requires the approval of both houses.

If the tax reform, which also includes higher child payments, is to take effect as planned, government and opposition must reach a compromise early this month.

Klöckner-Werke Buys Czechoslovak Concern

Reuters

DUISBURG, Germany — Klöckner-Werke AG, the steel and engineering concern, said Monday its Eurotec Systemteile GmbH unit would take a 51 percent stake in the Czech automotive supplier Plastimat AS from Jan. 1.

Klöckner-Werke said it would raise its stake in the company to 100 percent by 1994. It said an agreement finalizing the deal was signed Friday but gave no financial details. Klöckner said Plastimat was one of the leading plastics groups in Czechoslovakia, with a work force of 1,350 and a processing volume of 20,000 metric tons a year.

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NYSE

Monday's Closing

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(Continued on next left-hand page)

Fear of Change Hits Australian Dollar

Compiled by Our Staff From Dispatches

CANBERRA — Australia's new treasurer, Ralph Willis, sent the local dollar down in his first few hours in the post when he said Monday that the government would soon discuss currency policy.

Mr. Willis, asked at a news conference about the Australian dollar's value, said the government would take up currency policy this month or in January. "There has been a decision taken by cabinet to have such a discussion," he said.

Foreign-exchange dealers said the dollar dropped to a low of 77.25 U.S. cents from a high of around 77.83 on concerns the government could move to push the dollar lower to help boost exports, in order to revive Australia's drought-weakened economy. The currency closed at 77.33 U.S. cents.

Mr. Willis, who was sworn in Monday to replace the dismissed John Kerin, gave no hint of any quick cut in interest rates, despite the fact that the economy is stuck in recession. "There is no need to rush into interest-rate cuts with every bad figure," he said. Official interest rates now stand at around 8.5 percent.

Mr. Willis is the third treasurer to hold office this year in the Australian Labor Party government, after Paul Keating and Mr. Kerin, who was given the post in June.

One currency trader commented: "We have a political party which is exhibiting signs of great uncertainty and we have a new treasurer talking about looking at the exchange rate. There's nothing for the market to do but sell."

Dealers said markets would be nervous until Prime Minister Bob Hawke's future was settled. There is speculation that he might be forced to quit the leadership in favor of Mr. Keating. *(Reuters, AFX)*

Australia Clears O'Reilly, Blocks Black on Fairfax

Compiled by Our Staff From Dispatches

CANBERRA — Australia approved Monday a bid led by Tony O'Reilly's Independent Newspapers PLC of Ireland for the debt-ridden Fairfax media group, but blocked another led by the Canadian publisher Conrad Black.

A spokesman for the Transport and Communications Ministry said the bid from the Tourang Ltd. consortium was "not in the national interest." Tourang is led by Canada's Hollinger Inc. through its British unit The Daily Telegraph PLC.

But officials may have left the door open for Tourang to restructure its bid so that total foreign investment does not exceed 20 percent. *(Reuters, AP)*

The Race to Develop Flat Screens

Reuters

TOKYO — Japan's big electronics companies are raising the stakes in a battle for a slice of the flat-screen market, which is expected to be worth around 1 trillion yen (almost $8 billion) by 1995.

Slick graphics on lightweight portable computers and movie-style viewing in the home with television sets that hang on the wall promise to be big business in the 1990s.

In early December, NEC Corp. announced plans to build a 30 billion yen factory to produce up to 50,000 active-matrix liquid-crystal displays a month — which, it is estimated, could account for up to half the total LCD market by 1995.

Active-matrix displays provide sharper images and faster reactions than the passive models found on watches and many existing personal computers.

"People want these displays for computers they can carry round easily," said Hiroshi Shiba, NEC vice president, after announcing the plan. "They will make computing more personal."

Boris Petersik, analyst at Barclays de Zoete Wedd Securities in Tokyo, said companies would be jostling for market position over the next four years. "We should know the winners by 1995, and get a clue in the next two years."

But the competition is a purely Japanese affair. American PC makers say there are no U.S. companies that can supply the screens in large quantities.

Currently, portable computing with high-quality flat color displays is only for the rich. NEC recently announced what it said was the world's first notebook-sized PC to feature an active-matrix liquid-crystal display to go on sale. But one of these would cost nearly 600,000 yen, or nearly $4,700.

NEC is pursuing a type of LCD that achieves high picture resolution on a flat screen by using thin film transistors to switch dots of light on and off. Other companies working on this type of screen are Toshiba Corp., Hitachi Ltd. and Sharp Corp. Sharp is considered the leader in this field.

These companies have poured billions of yen into development and production, but the complex structure of the displays makes manufacturing extremely difficult and keeps prices high.

Because of the difficulties, Canon Inc. caused a stir when it said in October it had developed a prototype of a new kind of LCD — the ferroelectric LCD. It claims this is far easier to produce and will provide a low-cost alternative to thin-film transistor displays. Last week, it announced a 20 billion yen investment in manufacturing facilities, saying it would start mass production in 1993. But the company has not yet developed mass-production equipment.

At the time of the announcement, Canon said it was aiming for 50 percent of the world LCD market in five or six years, but last week a spokesman said it actually hoped for 30 percent.

Manila Sets Airline Sale for January

Agence France-Presse

MANILA — The government plans to sell two-thirds of the stock of Philippine Airlines in late January and wants at least $150 million from bidders, the flag carrier's president said Monday.

Feliciano Belmonte said four local groups with foreign partners, which he refused to name, had qualified to bid for 67 percent of PAL stock.

Sources at the airline earlier disclosed that one of the foreign bidders was Northwest Airlines of the United States, in tandem with Philippine Commercial International Bank.

Mr. Belmonte said bidders were being asked to offer at least $150 million in cash, plus an option to buy PAL debt.

The national government will keep a 13 percent stake, while the Government Service Insurance System, the state workers' pension fund, will retain 20 percent, he said.

The government took control of 80 percent of PAL stock after assuming $500 million of the airline's foreign debt. Its remaining 13 percent share after privatization will eventually be sold to local buyers, including PAL employees.

Mr. Belmonte said PAL had a net income from operations of 530 million pesos ($20.2 million) in the first 10 months of 1991.

Hyundai Leader Denies Reports of Retirement

Reuters

SEOUL — Chung Ju Yung, founder of South Korea's powerful Hyundai Group, was quoted on Monday as denying reports that he planned to retire following a dispute with the government over tax penalties.

Mr. Chung could not be reached directly but the denial was repeated by officials of Hyundai.

Seoul to Punish Banks for Excessive Profits

Reuters

SEOUL — South Korea's Office of Bank Supervision has ruled that the Seoul branches of Bank of America and Bank of Nova Scotia engaged in currency-swap irregularities and said Monday it would punish them.

"OBS will strictly punish the two banks in a bid to establish sound management and to keep financial order," the agency said.

Bank of America generated profits of 402 million won ($532,600) and Bank of Nova Scotia gained 97 million won through irregular swap transactions, it said.

"The punishment to be imposed on the two banks is expected to be harsher than recent cases," an agency official said by telephone. He said he expected the Bank of Korea to confiscate the profits.

Executives from the banks were unavailable for comment.

The agency said South Korea had ruled that banks were not permitted to make profits in excess of 0.3 percent on transactions in which overseas currency was imported for use in South Korea.

The Seoul branches of Banque Indosuez and Manufacturers Hanover Corp. had their foreign-exchange dealing licenses suspended for a few days in September and October respectively as punishment after the Office of Bank Supervision ruled the two had engaged in foreign-exchange irregularities but they were not required to forfeit the profits.

Banks Tell Of Shifting Asian Loans

Reuters

KUALA LUMPUR — Bankers from Hong Kong, Japan and Taiwan said Monday they were being forced to reduce lending and that less-developed Asian countries would have to boost domestic savings to sustain economic growth.

"Unquestionably, Japanese banks will continue to provide financial support to Asia," said T. Kohno, managing director, international banking group, of Mitsubishi Trust & Banking Corp. "But potential borrowers must also realize that supplied funds are going to cost more in the years ahead."

Speaking at an Asian Bankers Association seminar, Mr. Kohno said to attract funds, Asian countries must encourage privatization and economic efficiency.

Investment capital from Taiwan to the rest of Asia, which soared to $7 billion in 1989 from $66 million in 1986, will slow because of domestic needs, said Wang Kwang-seng, president of Bank SinoPac.

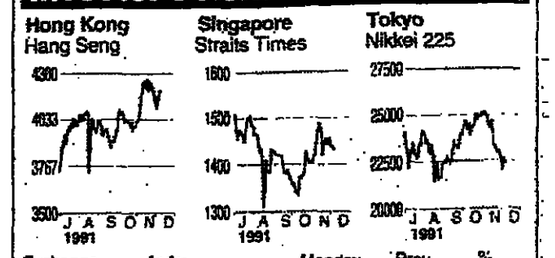
Taiwan's six-year economic development plan will need about $300 billion and will have a profound impact on savings and investment. "The domestic investment climate will improve, which means more capital would stay home and foreign investment activities may slow down," Mr. Wang said.

Hong Kong, which became a capital exporter in the 1980s, will have to tap foreign funds for its program to build an airport, port and roads. "The combined cost for the airport-related projects alone is $15 billion," said David Li, chief executive of Bank of East Asia Ltd.

■ Miyazawa Promotes Loans

Prime Minister Kiichi Miyazawa of Japan proposed Monday that curbs on commercial-bank loans be lifted to stimulate economic activity, Agence France-Presse quoted official sources as saying. The government had asked banks to curtail real estate loans, which had contributed to sharply rising land prices.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	4,203.20	4,190.04	+0.31
Singapore	Straits Times	1,430.74	1,430.55	+0.01
Sydney	All Ordinaries	1,580.80	1,583.80	-0.19
Tokyo	Nikkei 225	22,352.88	22,445.06	-0.41
Kuala Lumpur	Composite	531.42	530.33	+0.21
Bangkok	SET	701.51	687.39	+2.05
Seoul	Composite Stock	615.70	619.88	-0.67
Taipei	Weighted Price	4,473.82	4,501.90	-0.62
Manila	Composite	1,111.42	1,102.45	+0.81
Jakarta	Stock Index	245.61	242.96	+1.09
New Zealand	NZSE-40	1,428.68	1,445.04	-1.13
Bombay	National Index	887.28	893.14	-0.66

Sources: Reuters, AFP — International Herald Tribune

Very briefly:

- **NEC Corp.** said it developed four memory cells that would enable it to launch commercial production of 256-megabit dynamic random-access memory chips and 64-megabit flash memory chips by the late 1990s.
- **Bank of Credit & Commerce International Hong Kong** depositors will decide next month whether to accept a takeover of the failed bank by **Hong Kong Chinese Bank**, a subsidiary of **Lippo Group**.
- **Mitsubishi Motors Corp.** and a partner in Thailand are to invest 3.5 billion yen ($27.2 million) in a new car-assembly plant near Bangkok.
- **Matsushita Electric Industrial Co.** said it would jointly develop a theme park with its MCA Inc. unit on an artificial island it is building in the Wakayama area of southern Japan.
- **Lucky Country Ltd.**, a Hong Kong-based company accused of illegally selling Chinese garments in the United States, has been placed off-limits to all Chinese companies by the Trade Ministry.
- **Taiwan's** current-account surplus fell to $2.79 billion in the third quarter, down 23 percent from the like 1990 period, because of a 27 percent rise in imports.
- **Taiwan** will encourage investors setting up projects in China to invest an equal amount at home to prevent damage to the island's economy, said Huang Kun-huei, chairman of the cabinet's Mainland Affairs Council.
- **New Zealand** is likely to fail in its goal of balancing its budget for the fiscal year ending in June 1994 because of a weak world economy.

Reuters, AFX, AFP

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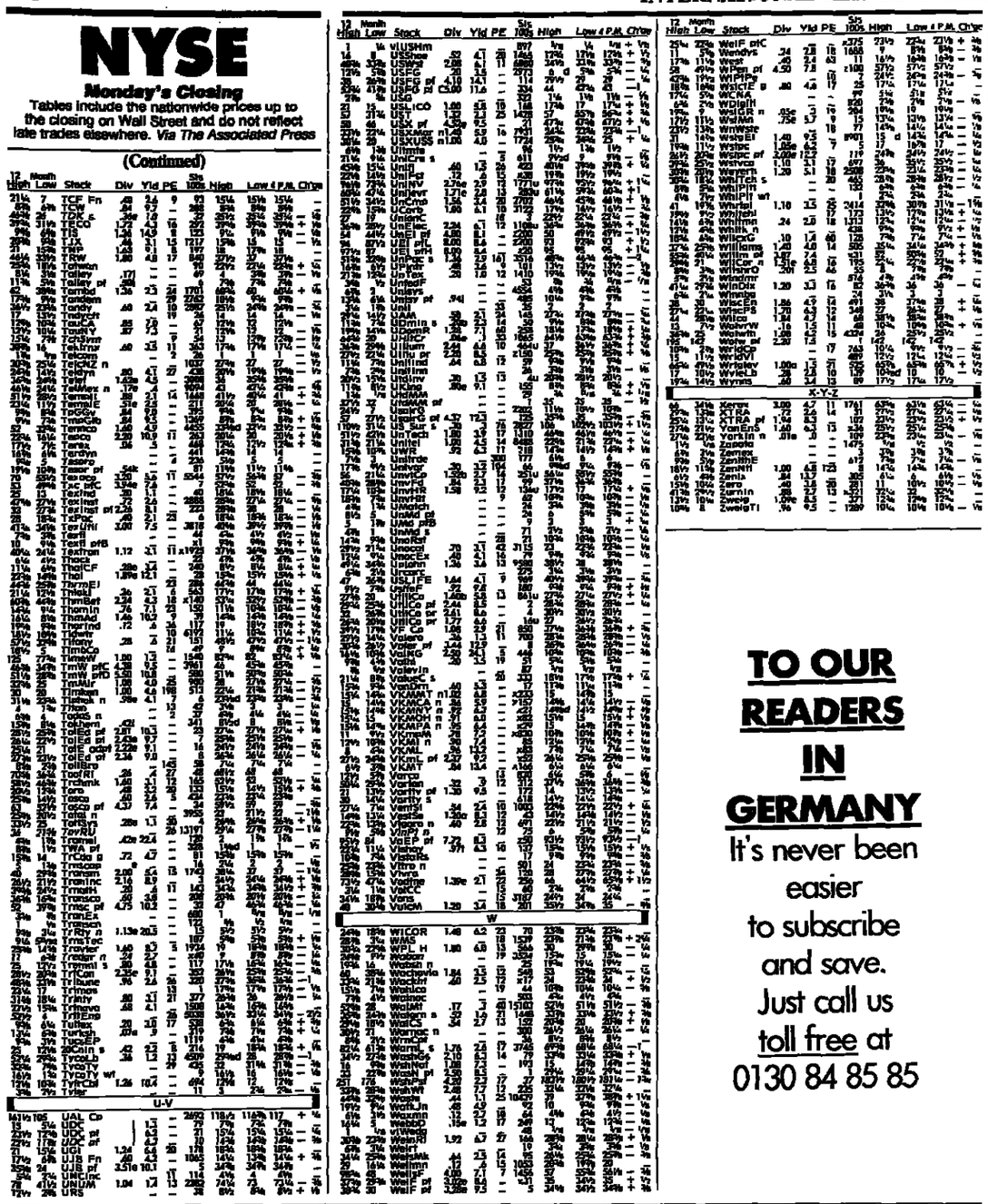
Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)



AMEX

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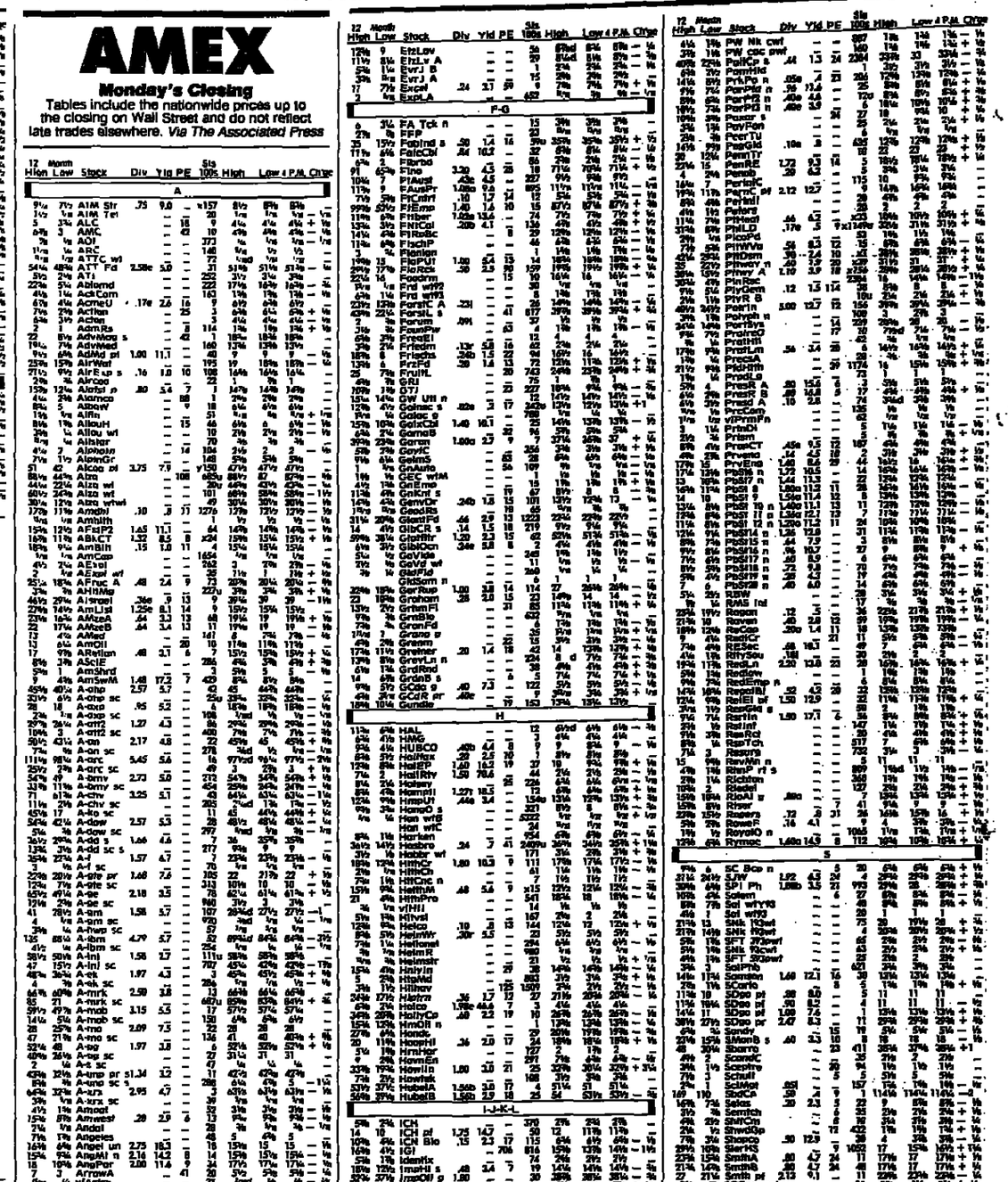

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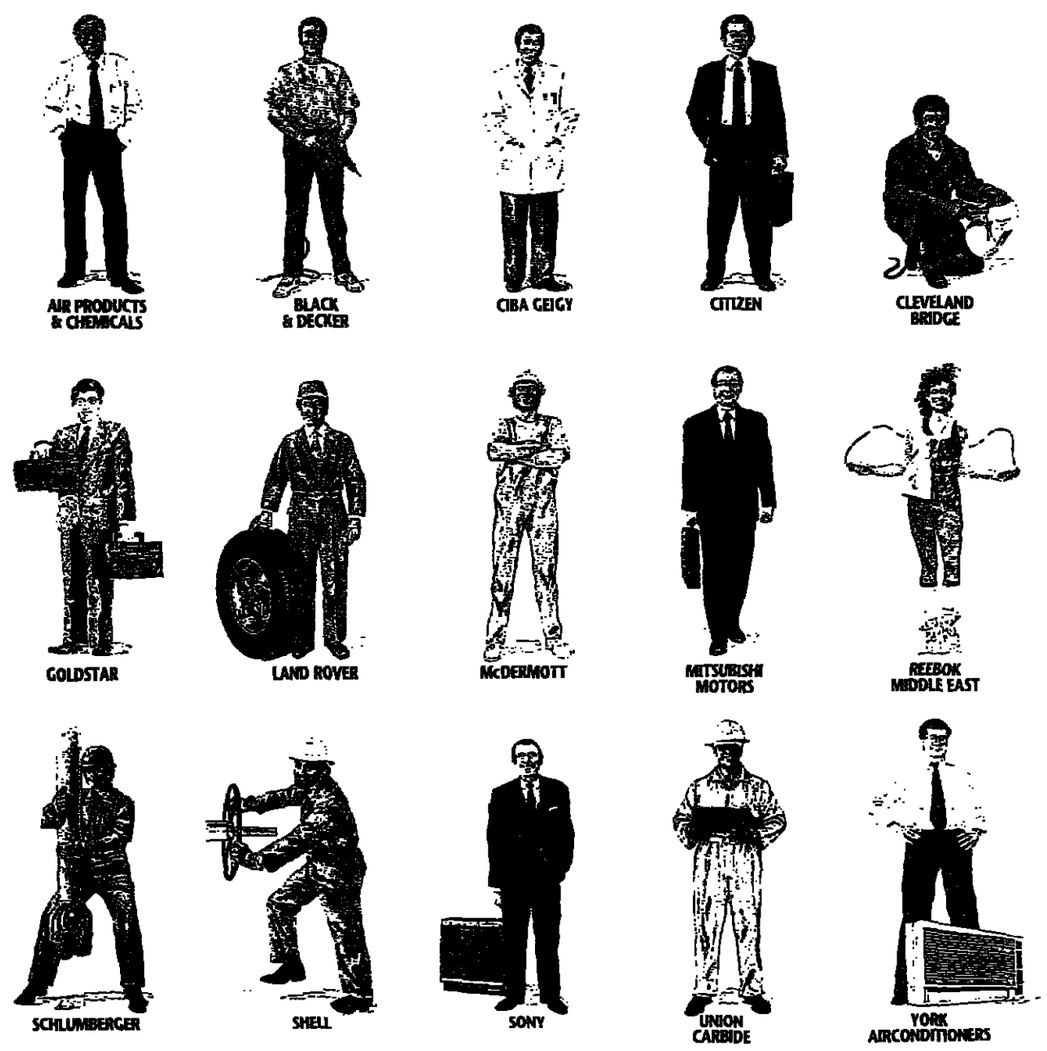
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Japan's business community is looking for new ways to spread the wealth and consolidate a leading position in global, not just national, economic development.

The country's conservative approach to business has created unprecedented domestic growth and a huge supply of so-called "Japan money" that has played a major role in fueling overseas expansion, especially since the early 1980s. But the recent downturn in world economic growth has given Japan an occasion to rethink and redirect its international activities.

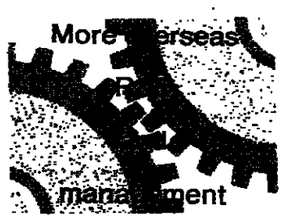
While current and past economic slumps have wreaked havoc in countries where short-term profits take second place to long-range planning, Japan has now seen 60 consecutive months of uninterrupted growth, a period paralleled only by the Izanagi 57-month stretch between November 1965 and July 1970.

Over the last 10 years, the gross national product per capita grew 50 percent. Among members of the Organization of Economic Cooperation and Development, Japan is second only to Switzerland in terms of gross domestic product per capita, according to sources with the Japan External Trade Organization (JETRO).

Direct foreign investment by Japanese companies grew 5.5 times between 1985 and 1989, when it hit a total of $154.4 billion, JETRO analysts say. The country's gross external assets, including securities, are the world's highest at roughly $1.77 trillion, and could reach $2 trillion by the turn of the century.

By region, Japanese direct investment abroad peaked in fiscal 1989, with $33.9 billion for North America, $14.8 billion for Europe, $8.2 billion for Asia, $5.2 billion for Latin America and $4.6 billion for Oceania.

The demand for Japanese money has grown among countries grappling with the global economic downturn. The cost of Germany's reunification, economic reform in the Soviet Union and Eastern Europe, the Gulf war, high interest rates, stock market slumps and other factors have drained global resources, forcing global gross national product growth down from 3.3 percent in 1989 to 2.5 percent in 1990 and possibly lower this year, according to analysts with



Japan's Economic Planning Agency.

Japan, meanwhile, continues to show a huge trade surplus. This has led to a sincere, albeit leveraged, interest among business and political leaders to return more money to the world economy by increasing development aid, transferring management skills, exporting more technology and expanding imports.

Several barriers stand in the way of this goal. Economic expansion is believed to have peaked between April and June, at the height of the U.S. recession, and Japanese GNP growth of only 3.8 percent is forecast for fiscal 1991, down from between 5 percent and 6 percent in preceding years.

Bank of Japan Governor Yasushi Mieno raised the official discount rate five times between May 1989 and August 1990, from 2.5 percent to 6 percent, but in mid-November cut it to 5.5 percent in a bid to keep GNP growth at about 4 percent.

"The economy is shifting to a stage of growth that can be maintained," said this year's annual EPA white paper on the economy.

EPA analysts said they expect the economy to continue expanding despite soft real estate and securities prices. They also said, as do others, that the economy will remain resilient through 2000 despite an aging population, falling savings rates and shortages in labor and investment capital.

Although the current accounts surplus, which has fueled investments, fell from a peak of $87 billion in 1987 to a six-year low of only $35.8 billion last year, it is expected to rebound to $60 billion — or even higher — this year, according to Ministry of Finance analysts. This has left many observers wondering how Japan can reverse the recent contraction in long-term overseas capital investment and route more money back into the world economy.

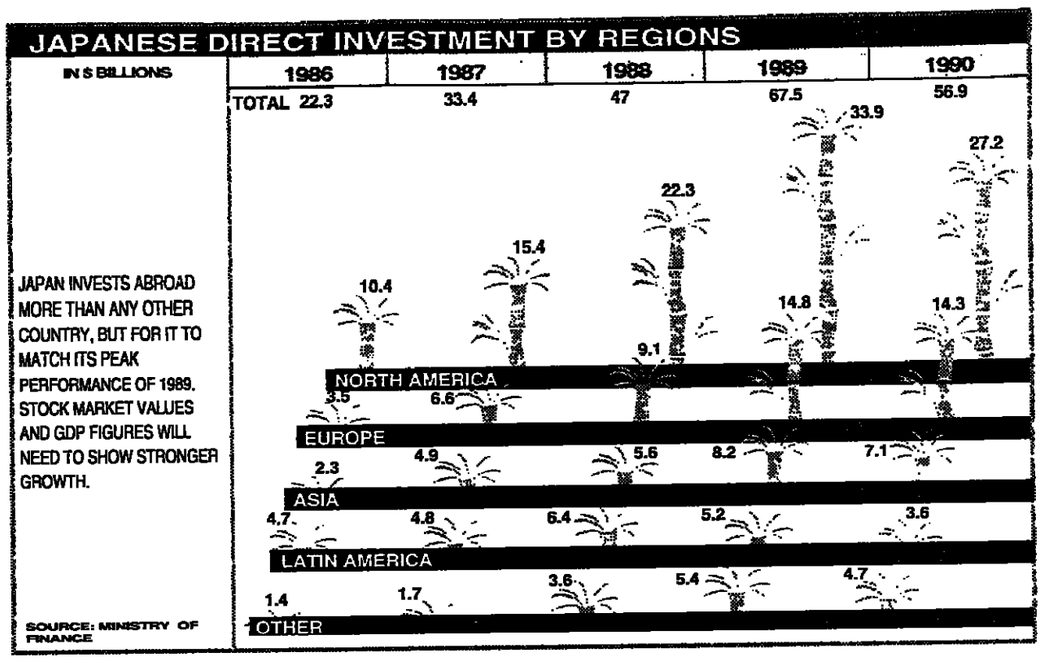
The new plan is to expand overseas management and research and development facilities while the government maintains a level of official development assistance second to none.

While overseas sales and production facilities will continue to attract long-term commitments, more Japanese companies are looking to establish regional headquarters and R&D facilities abroad. Almost all major businesses here have forecast profits through 2000 and plan substantial investments in R&D and labor-saving and "green" technologies.

The Japan Association of Corporate Executives, in its recent report on corporate globalization, says more corporations are setting up regional headquarters as part of a more global and symbiotic approach. Companies as diverse as Nissan, Canon and Hitachi have recently vested their regional offices with decision-making powers previously reserved for their Tokyo offices.

The ostensive goal of creating stronger R&D and management resources outside Japan is to decentralize authority and promote information flow by recruiting, training and ad-

Continued on Page 20



Stock Market / Cash Mountain Eroding

Exchange Drop Sends Ripples Overseas

Two years ago, a medium-sized Osaka brokerage house sent one of its stockbrokers to London to take advantage of the European interest in buying Japanese shares. The broker and his wife rented a roomy flat in a nice part of London.

Last month, the stockbroker called his British landlord to apologize; he was moving his family to a smaller, cheaper apartment.

"We are sorry," the stockbroker's wife said of their move. "But my husband's company says they must pay less rent. I think this is happening to many workers who have been sent abroad by second-level Japanese companies. They must save money."

The disappointed landlord is just one small example of how foreigners are being affected, either directly or indirectly, by the dramatic downturn in the Japanese stock market.

Foreign individuals and institutions that bought Japanese shares are facing investment losses. International companies and countries that trade with Japan are concerned about declining Japanese imports. Overseas companies that have been taken over by Japanese firms may not see as much new capital as anticipated, and companies seeking mergers or investment alliances with Japanese firms are finding fewer such opportunities.

Moreover, the ripple effects could be even greater if the Tokyo Stock Exchange drops again, or if the stock market's failure to rebound leads to wider economic problems throughout the Japanese economy in general.

From 1983 to 1989, the Nikkei index of 225 leading Japanese stocks nearly tripled in value, providing Japanese companies and investors with a cash mountain that fueled unprecedented capital investment, both at home and abroad. The Official Discount Rate (ODR), Japan's basic interest rate, was so low — 2.5 percent — that the cost of borrowing money was all but insignificant in investment decisions.

Last year, however, the market plunged. The Nikkei index dived from 38,915 on Jan. 1, 1990 to 20,221 on Oct. 1, 1990, and the modest recovery since then is marked by a lethargy that has generally confined the market

Continued on Page 20

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Japan's consumer electronics makers, now world leaders in the development, production and marketing of audio and visual equipment, are setting a new, more cooperative course amid merciless competition in what has become a mature industry.

Japan has a reputation for perfecting and profiting from technologies originated elsewhere, but technological and manufacturing advantages are no longer enough to secure the kind of long-term security to which businesses here have become accustomed.

The development and introduction of high-definition television provides the best example of Japan's global approach. Both Sony and Matsushita, Japan's largest consumer electronics makers, have worked tirelessly to develop the Hi-Vision HDTV technology. Early last year, they started marketing the first receivers based on the MUSE (multiple sub-Nyquist sampling encoding) transmission protocol.

In late November, Japan's national broadcaster, NHK, with support from the Ministry of Posts and Telecommunications, expanded Hi-Vision satellite broadcasts from an experimental one hour to eight hours daily.

Proponents initially forecast that annual sales of Hi-Vision components would reach $23 billion by the mid-1990s in Japan alone.

Unfortunately, the decoders cost over $30,000, 10 times what MITI hoped.

In a bid to bring down the exorbitant cost, three groups of Japanese manufacturers are working with U.S. microchip companies Texas Instruments, Motorola and LSI Logic to develop cheaper decoders.

There is no shortage of high-priced HDTV technology. Five major Japanese companies — Matsushita Electric Industrial, Pioneer Electronic, Sanyo Electric, Sony and Toshiba — plan to introduce high-definition laser disc players that can store two hours of information, up from the present 30 minutes. When introduced next spring, each unit will cost 1 million yen, or $7,700.

While technological innovations like fiber-optic broadband integrated services digital networks will eventually make HDTV economical, no amount of research or manufacturing expertise will compensate for Japan's dearth of internationally marketable programming.

The same goes for music and the laser disc, compact disc and digital audio tape industries.

Japan's audio and visual products have a very limited market overseas.

This is why investing in viable software enterprises is critical if Japan's consumer electronics makers are to secure long-term market share and profits, industry analysts say.

Except for some documentaries and animated cartoons, most Japanese television programs are never seen outside the country, according to sources with the Association of All Japan TV Program Production Companies.

Imports of foreign films and other visual media are estimated at over $2.77 billion, while exports amount to only about $23.1 million.

Realizing that Japanese hardware is useless without foreign software, firms like Sony, Matsushita, Toshiba, Panasonic, and even studios like Toei and Daiei, are branching out.

Last year, Pioneer dissolved Warner-Pioneer because the accord with Warner Communications Group prevented the Japanese firm from handling software. Pioneer took what it had learned, renamed its software subsidiary Pioneer LDC, and now enjoys 90 percent of Japan's laser disc software market, according to company data.

It also controls 50 percent of domestic hardware sales, thanks to its extensive research and development.

CBS Records, now Sony Music, cost Sony Chairman Akio Morita only $2 billion in 1988, but Columbia, now Sony Pictures, eventually cost more than $5 billion, up from the 1989 asking price of $3.4 billion. The additional costs included $500 million paid to Time-Warner to back out of an earlier contract with the Warner film studio.

And Matsushita's 1990 purchase of MCA, which also runs Universal Studios, cost over $6 billion. Matsushita already owns Victor Co., which also handles software.

An estimated 7 percent of Matsushita's worldwide sales are now controlled by Los Angeles, and more than 20 percent of Sony's sales are divided between New York and California.

The U.S. investments, while questionably profitable, are seen as essential, especially given today's tense competition and Hi-Vision's uncertain future.

The United States is now debating which of five HDTV protocols to accept, and Japan's control of Columbia and MCA are said to have added to its influence.

Similarly, communications giant Toshiba and C. Itoh & Co., a huge trading house, recently announced plans to invest $500 million each to obtain a combined 12.5-percent stake in an $8-billion multimedia partnership with Time-Warner. Time-Warner Entertainment will be a limited partnership making films, television programs and cable programming.

A company called Time-Warner Entertainment Japan Corp., which will distribute films, television programs and videos, is also planned.

"We aren't taking a short-term outlook on results," says Toshiba Corp. President Joichi Aoi.

Says Minoru Murfushi, president of C. Itoh: "The best thing is to obtain access to [Time-Warner's] worldwide business know-how, and they in turn will get access to the Japanese market and what Japan has to offer."

D.B.

Global Vision / New Approaches

Encouraging Growth

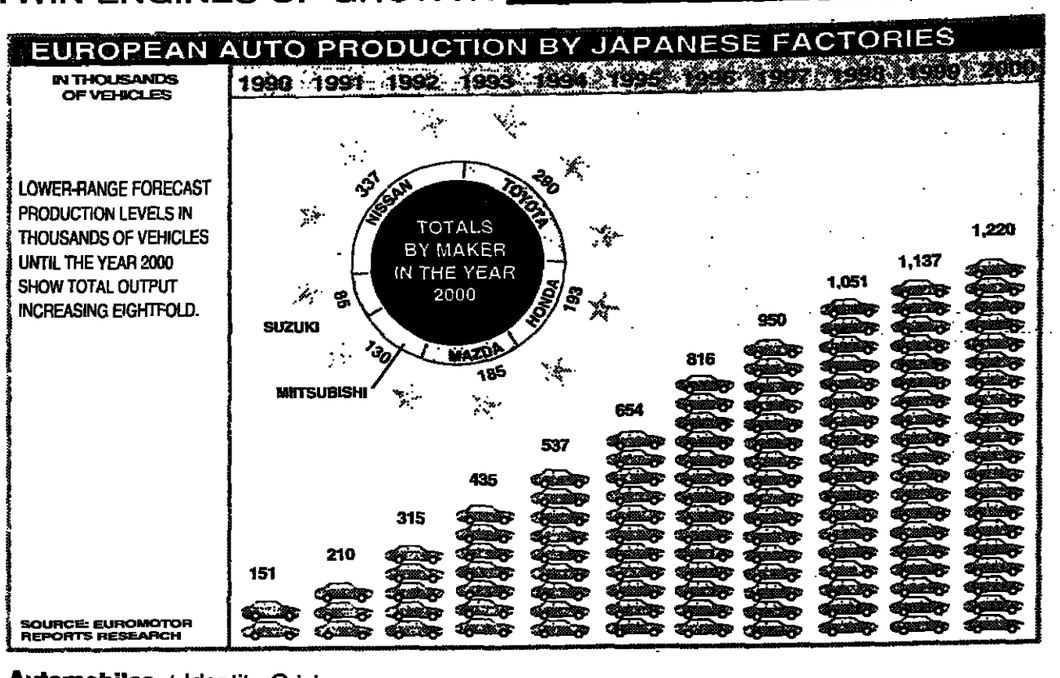
Continued from Page 19

vancing local people. There is a strong belief among top companies that stimulating employees in Japan and abroad to develop and adopt new technologies promotes long-term intercorporate business relations and creates networks for technology exchange. Because a rising proportion of capital investment is being spent on purposes other than expanding production capacity, boom-and-bust cycles are becoming less likely.

For instance, among members of the Association of South East Asian Nations, notably Thailand, Japanese direct investments on both the manufacturing and information fronts are credited with steadily improving economic conditions and moderating downturns.

Given the myriad obstacles to establishing factories outside Japan, information exchange and training is seen as an increasingly important way in which Japan can contribute to the global community.

David Bottorff



Automobiles / Identity Crisis

European Transplants Take Firm Root

Is a Honda Accord built in Marysville, Ohio a Japanese or an American car? How European is a Nissan Primera rolling off the line in Tyne, England?

These are the key questions being asked on both continents as the number of Japanese automotive transplants grows at a steady clip. The debate is far from being settled, but it is clear that the massive Japanese investment made during the 1980s in the United States will be mirrored in Europe during the 1990s.

Last year, seven Japanese transplant companies built 1.3 million cars and trucks in the United States. In Europe, Japanese production last year was only 200,000 units, but by conservative estimates, the transplants are expected to manufacture more than 1.2 million units by the end of the decade, when the total European market will grow to more than 15 million passenger cars.

A recent forecast by DRI/McGraw Hill in London estimates Japanese manufacturers will hold 11.9 percent of the European Community market by 1996 and will sell 1.66 million units. "Much of the growth in Japanese penetration will occur in transplant activities," says the report, predicting that transplant passenger car assembly capacity will exceed 700,000 units.

Nigel Hills, a London-based automotive consultant, expects transplants to capture between 17.5 percent and 19.1 percent of the European market share by 2000. "That leaves the Europeans with a lot less then they have today, a drop from 87 percent in 1990 to between 77.5 percent and 75.8 percent," Mr. Hills says. "Transplants are the only way the Japanese can increase their market concentration in Europe," he continues. "In the next nine years, 40 percent of all new capacity going into Europe will be Japanese."

In the United States, Japanese transplants and imports accounted for more than 25 percent of the model year ending September 30.

The best-selling car in the United States last year was a Honda Accord built in Ohio.

A key weapon in the global automotive battle is lowered costs, says Mr. Eaton. "The only thing the Japanese have here [in Europe] is cost. Their costs are dramatically lower than European costs."

Analysts say that in restricted countries — Spain, France and Italy — quality is also a problem, and a major reason why the transplants could gain a stronghold. "The projected sales gain in France, based on low estimates, would be the equivalent of all Mercedes-Benz, Rover and BMW sales, and on a high estimate, all of Mercedes-Benz, Rover, BMW and Audi in France. What we're saying is that there will be a huge transfer of sales activity," Mr. Hills says.

Europe is attempting to close the gap in quality, worker productivity and production costs. According to the Massachusetts Institute of Technology's "The Machine That Changed The World," it takes a European maker an average of 35.5 hours to produce a car in Europe, 20.9 hours for a Japanese transplant in America and 16.8 hours for a Japanese manufacturer in his home country.

The European Community and Japan last summer made a deal limiting Japanese imports through 1999 to 1.23 million. The Japanese also agreed to keep their car sales to under 16 percent in the EC markets. But France, Italy and Spain as recently as this autumn tried to get firmer EC commitments that the controls will work after 1992.

The EC's gentlemen's agreement with Japan has already been challenged by Honda. In September, France blocked U.S.-made Honda Accord station wagons until the U.S. Department of Commerce stepped in on Honda's behalf.

At the Frankfurt Motor Show, where European makers showed their latest cars and prototypes, Eberhard von Kuenheim, chairman of the board of BMW AG, warned European makers that the Japanese must be taken seriously: "At the end of this transition phase, that is, on Jan. 1, 2000, we will have an open European automobile market where only one thing will count: competitiveness."

Japanese transplants are already having an impact in Europe. Nissan has been producing cars in Britain since 1986. Volume has been slowly building and is expected to top 120,000 this year. But in the 10-month period between January and October, Nissan jumped 16.5 percent over the previous year to 394,000 cars, topping BMW sales and just 3,000 under Mercedes-Benz.

Isuzu-based sport utility vehicles are being built in Luton, England at IBC Vehicles Ltd. in a joint venture with GM's Opel/Vauxhall.

In 1992, Toyota and Honda plants in Britain will begin production. Toyota, which is building passenger cars in Burnaston and engines in Deeside, Wales, has a 200,000-unit capacity for both plants.

Diana T. Kuryiko

Stock Market / Cash Mountain Eroding

Exchange Drop Sends Ripples Overseas

Continued from Page 19

trade to a range of 21,000 to 24,000.

The losses, naturally, mean that less money is available. The ODR rose to 6 percent earlier this year, and the higher cost of money meant less investment and less growth. The growth in Japan's gross national product this year is expected to be barely half the 5.3-percent average of the previous four years.

Looking ahead, the critical factors for Japan and its stock market performance are interest rates, exchange rates and general economic conditions both at home and abroad.

To help spur growth — more than half of that extraordinary GNP increase was due to new business investments sparked by the rise in stock market values — the Japanese government cut the ODR from 6 percent to 5.5 percent in July, and there is speculation of a further cut in the coming months.

Another key factor is the general world economic condition, and especially the American economy. If the U.S. economy rises out of recession, Japanese business will undoubtedly get a shot in the arm. But if there is no improvement in the United States, upon which Japan depends as its largest foreign marketplace, then Japan could be dragged toward recession, too.

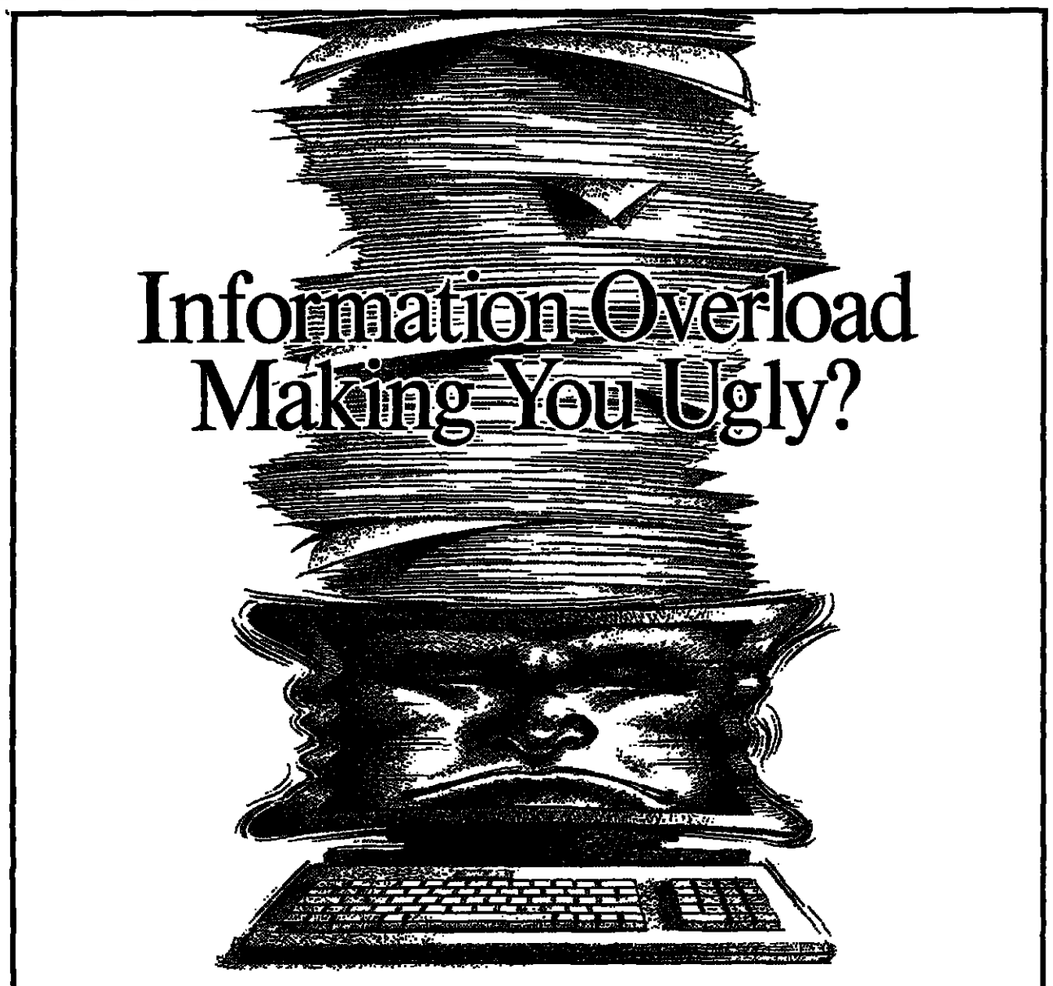
Even if Japanese interest rates come down and the U.S. economy improves, however, all is not necessarily rosy for Japanese companies or the foreigners who invest in or trade with them. The lower interest rates could weaken the yen, which would in turn raise the costs of raw materials and other imports such as oil.

Hard times for Japan, Inc., could be especially difficult to resolve because of the penchant among Japanese firms for owning each other's shares. It is estimated that 40 percent to 50 percent of the shares in Japan's major listed companies are held by other major listed companies.

Direct Japanese investment in overseas property declined from $14 billion in 1989 to barely $11 billion last year, with an expected 1991 total that could be as low as the $4 billion of 1986. Exports from the European Community to Japan were down by 13 percent this October from the same month in 1990.

With shares so depressed, there is little buying and selling, either among Japanese or foreign investors. Volume on the Tokyo exchange has been off 40 percent in recent months; small wonder that costs are being cut to the extent that the Osaka brokerage house told its man in London to cut down on his rent payments.

Timothy Harper



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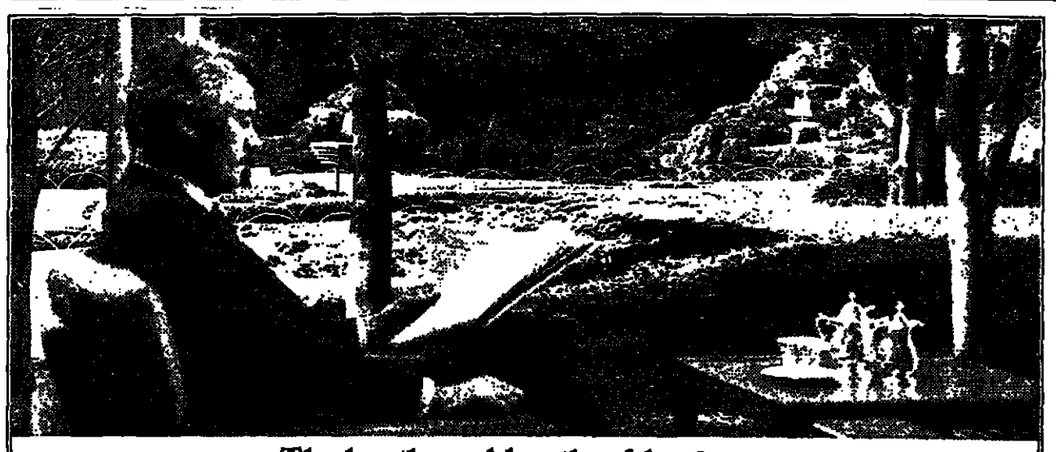

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JAPAN

Computers / Catching Up

Software: Where The Money Is

While the Japanese have taken an enormous lead in nearly all areas of the computer industry, there is one sector where they trail the Americans. The Japanese have not been major players in the lucrative software market, but they are recognizing their deficiencies and are making plans to catch up.

Worldwide, the software business represents $60 billion a year, with the United States accounting for more than half the world's software consumption as well as holding about 80 percent of the world market. There are a number of reasons, many of them cultural, why the Japanese have not advanced into the software market with the same determination as they did with mainframes, VCRs, printers, laptops and television sets.

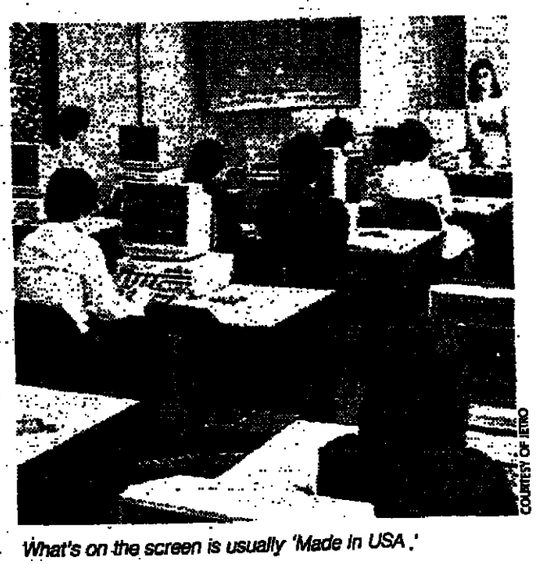
Japan's personal computer industry is four to five years behind that of the United States, says Paul Gillin, executive editor of Computerworld magazine. "In the U.S., people brought their PCs into the workplace through the back door, so to speak. They brought in their own computers to help them and, pretty soon, computers became indispensable. In Japan, that would be unthinkable. People don't go against group thinking. They want to use computers collectively. In the U.S., the PC empowered the individual. The Japanese want collective empowerment."

The number of personal computers in Japan is one-fifth what it is in the United States. The difficulty in developing PC-sized software to accommodate the 2,000 characters needed in Japanese has also slowed the Japanese move toward personal computers, as have incompatible standards.

When these PCs are booted up, what frequently comes up on the screen is a U.S. product. Software is an area in which the Japanese have not been averse to outside technology.

"The greatest need in Japan is for personal computer package software," says Michael Cusumano, author of "Japan's Software Factory." "Access to the market is there if U.S. firms are willing to take the time to transfer to Japanese interface and customize to the market." Tailoring programs to the Japanese has been an important element in foreign companies' success. In addition to translating, this might mean changing spreadsheet models or using different graphics. Says Computerworld's Mr. Gillin: "Japan has been open to outside technology that satisfies a need."

Why have the Japanese allowed other countries to take the lead in software development? Much of it has to do with their perception of programmers.



COURTESY OF IBM

What's on the screen is usually 'Made in USA.'

"We look on our programmers as artists, rebels," says Joe Garber of A.T. Kearney, a consulting firm in Redwood City, California. "In Japan, it's a low-level, no-status job. A Japanese programmer makes less than a cement truck driver. They have trouble digesting our reverence for programmers." He adds that the informal atmosphere of U.S. programming operations is very unappealing to the Japanese, and has discouraged them from acquiring American software companies. There is a shortage of programmers in Japan.

The Japanese, however, continue to be drawn to compete in the software market. "Why not?" asks Mr. Garber. "That's where the money is. High growth, high return." Several giant technology firms have established themselves in California's Silicon Valley. Fujitsu, Sony Microsystem Co., Ricoh and Hitachi have all settled in the cradle of U.S. computer technology innovation and have brought forth a few software packages for the U.S. market. Most are related to graphics or engineering, areas where language and culture are not important factors.

Hitachi is one Japanese firm making an important commitment to software development, earmarking in 1990 30 percent of its research and development budget for software, up from 10 percent only a few years ago. "But don't expect a Japanese software juggernaut coming out of the blue," says Hitachi Product Manager Fred Stein. "Hitachi is a deliberate company. We have a 'quality first' attitude. We need a clear plan and lots of consensus in the decision-making process."

That deliberate attitude of the Japanese in getting ready to enter the U.S. software market has some thinking they might already have delayed too long. "They're moving along, getting smarter and better," says Doug Jerger of the American Software Association. "But American companies are getting better, too."

Joe Garber thinks the Japanese may be planning to leapfrog PC software and go directly to work stations. "I think they'll go in that direction," he says, "and go right to the next generation of technology."

He does not doubt the inevitability of the Japanese becoming players in software. "They'll do it slowly and efficiently, and successfully," he says.

Candace Siegle

Shipping Industry / Returning to Health

Big Five Clear the Decks and Move to Diversify

While Japan's shipping industry cannot yet count on smooth sailing, a long haul of recession-induced investment has meant that rough passages are beginning to pay off.

After eight years in the red, the Big Five shipping firms — Nippon Yusen Kaisha, Mitsui O.S.K., Kawasaki Kisen Kaisha, Navix Line and Showa Line — all reported profits for the first time last year.

Despite pretax profit declines of 20 percent to 40 percent by these companies in the interim period ending in September, industry officials expect that fiscal 1991 will see fair growth over last year.

With the exception of Kawasaki Kisen Kaisha, or "K" Line, which reported higher pretax gains, the shippers blame poorer interim results on a sharp appreciation of the yen, sluggish earnings from freight charges and an unusual autumn season that brought severe typhoons, docking many ships until calm waters arrived.

But Toru Ichikawa, general manager of the finance division of Nippon Yusen (NYK), points out that profits from the delayed ships have been shifted to the second half. "We are confident that second-half results will show an almost double increase," says Mr. Ichikawa.

A spokesman for Mitsui O.S.K. says actual total revenue in the interim period increased 3.8 percent over last year.

Indeed, the industry looks healthier than it has in years. Japan's seaborne trade volume increased 2.1 percent over last year's boom, trade to Asian countries is strong and shipments to the Middle East and the European Community show brisk growth. In addition, interest rates are falling and oil prices — 1990's downfall — have steadied, promising a brighter year ahead. But the recovery has not come easily.

In the face of recession, the Big Five accumulated huge debts in an effort to modernize fleets and unload uneconomical ships. Steps have been taken to reorganize, including streamlining crew, hiring foreign staff, a switch to dollar-based payment of bunker fees and other costs and promotion of industry tieups.

This year, consolidation of the North American liner route into two or three groups was realized, with tieups between "K" Line and Mitsui O.S.K. and NYK's acquisition of Nippon Liner System, making it the third-largest trader in the region.

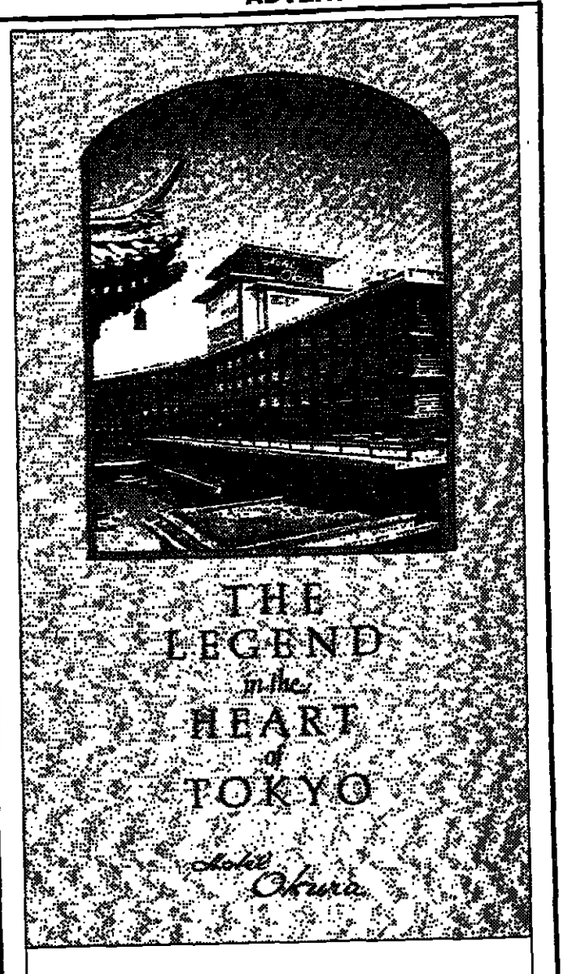
But as Robert Zielinski, an industry analyst for Jardine Fleming Securities in Tokyo, points out, Japan's auto exports are down, and sluggish growth of the world economy is expected to continue. To offset their huge debt, "Japan's shipping firms are desperately looking to diversify," Mr. Zielinski says.

Such diversification has so far been successful. Last year, a subsidiary of "K" Line entered the passenger cruise market with its Caribbean vessel "Song of Flower." Last year, NYK released a 960-passenger cruise vessel, "Crystal Harmony." Based in Los Angeles, the five-star Berlitz-rated luxury cruise liner is targeting the huge American and European markets.

In late October, NYK released the 584-passenger liner "Asuka" in a move to enter Japan's expanding leisure cruise market, which reported growth of 14.8 percent last year. The company plans to expand revenue from the passenger cruise market from 1 percent to 7.5 percent of its total revenue.

Michelle Magee

David Bottorff is an editor and staff writer for The Japan Times who focuses on political and economic issues.
Timothy Harper, a London-based American journalist and lawyer, is the author of "Doing Business in Europe," to be published by John Wiley & Sons, New York, next May.
Diana Kurylko writes about the automotive industry.
Michelle Magee is a Tokyo-based journalist working at The Nikkei Weekly.
Candace Siegle is a free-lance print and broadcast journalist based in Southern California.



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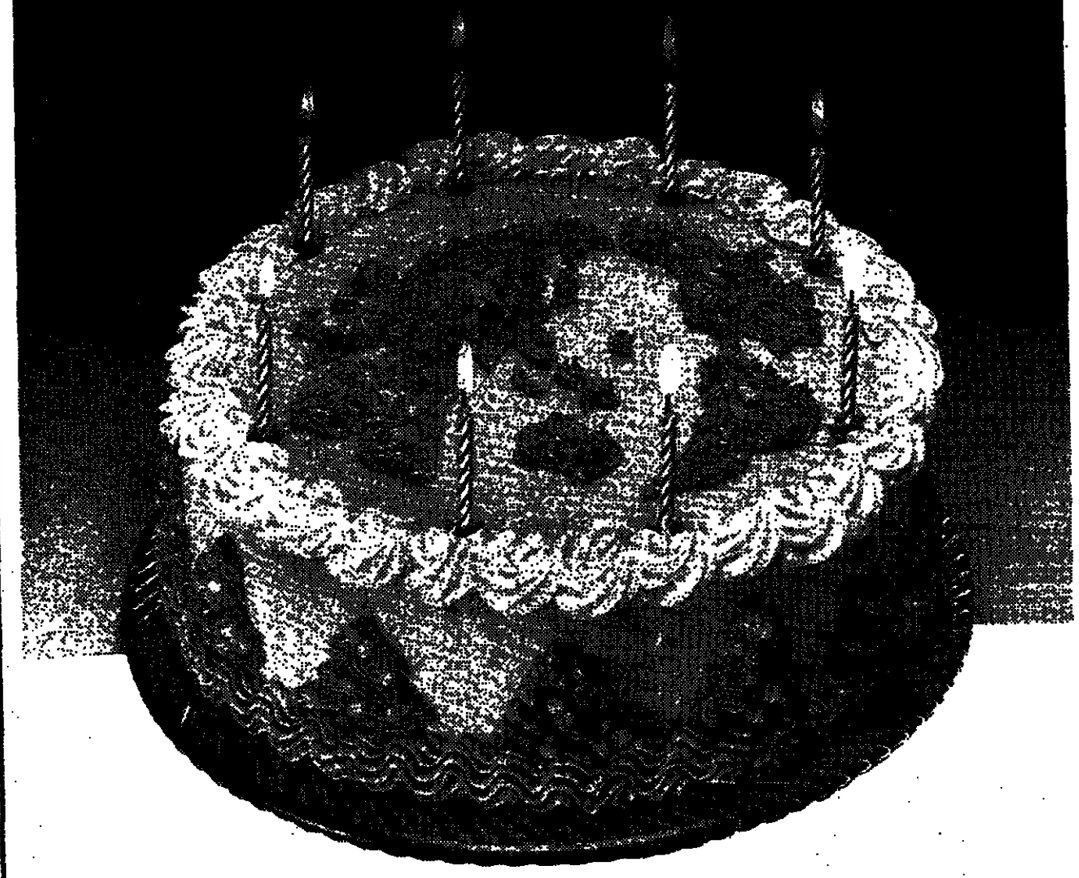

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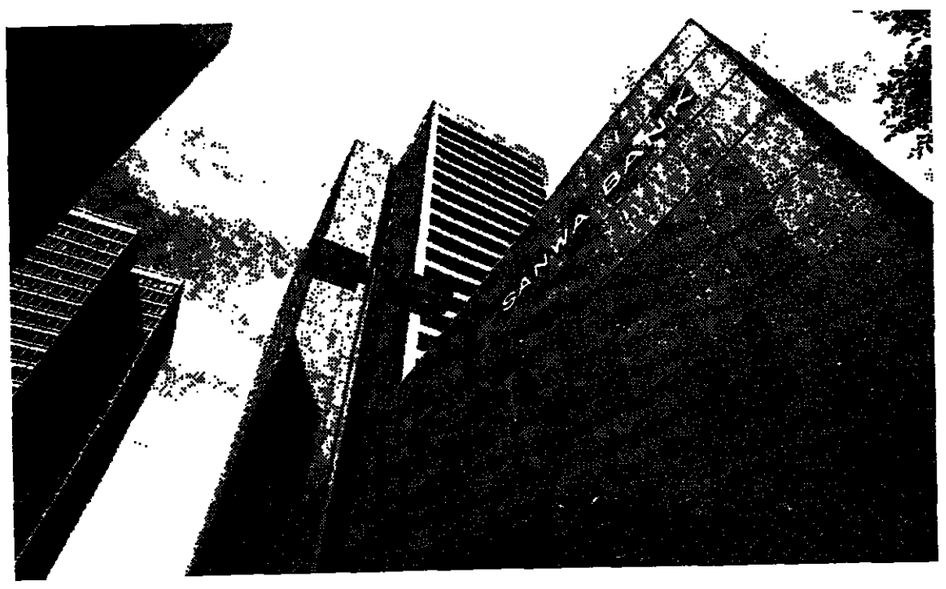

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SPORTS

Balts' Olympic Hurdle: Global Donors

By David Rohde
New York Times Service

VILNIUS, Lithuania — The headquarters of the Lithuanian Olympic Committee, in ornate downtown offices, are in sharp contrast to the grim, boxlike buildings that house the country's rowing program on the outskirts of this capital city.

The small gymnasiums used for winter training have posters of high-tech rowing machines, but there are only a handful of these expensive machines in Lithuania.

In Latvia, the only modern training center is a bobsled complex built by the Soviet Union in the 1980s. And in Estonia there is no velodrome, so the country's most accomplished athlete, Erika Salumae, has been training in Moscow instead. "Funding is a very big problem," said the 1988 Olympic cycling gold medalist. "Now I must find organizations to help me get to international competitions to train."

These are the obstacles faced by the three newly independent Baltic republics as they prepare to send teams to the 1992 Winter Games in Albertville, France, and the Summer Games in Barcelona.

The three Olympic committees have been searching worldwide for sponsors, coaches and training facilities for their athletes.

Officials estimated they have only a little more than half of the funds they need, and pinned their hopes on corporate sponsors and donations from abroad to make up the difference.

The Soviet Union recognized the independence of the Baltic states on Sept. 6, and 12 days later they were reinstated into the Olympic movement by the International Olympic Committee and invited to take part in 1992.

Before that, Baltic athletes competed as part of the Soviet national team, where Russian athletes were favored over other nationalities, according to several Baltic athletes.

If a Soviet athlete was world class, he or she benefited from the better living conditions, top facilities and intensive training that were hallmarks of the Soviet Olympic machine.

Baltic athletes are still training in the Soviet Union, but they must now pay for the use of the facilities, according to officials.

Estimates of what it would cost for the Baltics to send teams to Albertville and Barcelona ranged from $300,000 to $500,000 for the Winter Olympics and from $2 million to $3 million for the Summer Olympics.

Officials estimated that 50 percent to 75 percent of the needed revenue had been raised, but they said they were unsure whether their cash-strapped governments would be able to provide the rest of the funds they have promised.

"Maybe we can find companies to sponsor us in Finland, Germany and the United States," said Rein Ottoson, coach of the Estonian sailing team. "The problem is that all we have is rubles, and they are worthless."

The three nations have joined an IOC program to help develop corporate sponsors, and several Baltic skiers have already signed agreements to be sponsored by the Fischer Atomic and Karhu ski companies.

One of the few areas in the Baltics where financing problems do not exist is the Lithuanian men's basketball team. Led by Sarunas Marciulionis of the Golden State Warriors, the team has four members of the Soviet Olympic team that won the gold medal in 1988.

Marciulionis has agreed to donate at least $200,000 to the team. With four other team members playing with Western European clubs, Lithuanian officials predicted that financing the team would not be a problem.

But athletes in other sports have not been so fortunate. Many have been forced to train at their homes without the benefit of competing against the best in their sport.

Independence has also created an uncomfortable situation for athletes who are ethnic minorities in the Baltics. Ivan Klementjev, a five-time world canoeing champion and 1988 Olympic champion, is an ethnic Russian who would like to represent Latvia in the Olympics.

Some Latvians call the ethnic Russians who make up half the population of Latvia "occupiers" and feel they should leave.

The three countries' Olympic plans:

Lithuania

It is concentrating on the Summer Games, and will be sending only four athletes to Albertville. One is cross-country skier Vida Vinciene, winner of the gold medal in the women's 10-kilometer race in 1988.

With a population of 3,690,000, Lithuania plans to send 20 to 30 athletes, not including the men's basketball team, to Barcelona.

Lithuania also has a world-class swimmer, Rolandas Mazhuolis, who won the silver in the 1,500-meter freestyle event in 1988.

Latvia

When the Soviet Union decided to develop its first bobsledding team 10 years ago, the man behind the idea was Janis Kipurs, a Latvian. He was not only the driving force behind the program, but also its top competitor, leading the team to a bronze medal in 1984 and a gold medal in 1988.

The only state-of-the-art, artificial ice bobsled track in the Soviet Union was built in Latvia in the early 1980s. The Soviet team must now pay the Latvians to practice on the track and the Soviet team has been hard hit by the loss of the Latvians.

Latvia, with a population of 2,681,000, plans to send 20 athletes to Albertville to compete in bobsled, luge and cross-country skiing.

Klementjev, the Russian canoer, leads a Latvian summer team that will feature 20 to 30 athletes. After winning the Olympic gold in 1988 and the world championship in 1989, 1990, and 1991, Klementjev is favored to win again.

Natalya Lashchonova, a Russian gymnast who lives in Latvia and would also like to represent Latvia in the Olympics, won a gold as a member of the Soviet team in 1988. She was the all-around champion at last year's world championships.

Estonia

With a population of 1,573,000, Estonia is the smallest of the three countries. But in 1980 it was the host to the sailing competitions that were part of the Moscow Summer Games, and still has the best training facilities in the Baltics.

The Piritta Olympic Center has a swimming pool, several indoor basketball courts, racketball courts and weight rooms swarming with athletes. Officials see the center, which includes a 100-bed hotel, as a key to turning promising young Estonians into world-class athletes and attracting international competitions.

For the 1992 Winter Games, Estonia will be led by Allar Levandi, the winner of the bronze medal in the Nordic combined event in 1988. About 18 Estonian athletes will go to Albertville to compete in cross-country skiing, Nordic combined, figure skating and biathlon events.

The Genie's Out of the Bottle: Rub of '94 Begins in New York

By Filip Bondy
New York Times Service

NEW YORK — In less than one hour at the Paramount Theater in Madison Square Garden, 141 national soccer teams were efficiently matched with their alibis, with their worst nightmares, and with their impossible paths to glory.

When the 1994 World Cup qualifying draw was done Sunday and the hostess, actress Barbara Eden, had mispronounced the name of her last soccer celebrity, delegates from six regions of the world wondered aloud if they would ever reach the shores of the United States in 31 months' time for the greatest sports spectacle of them all.

"England, Holland, Poland and Norway gave problems to Italy," said Sepp Piontek, an official with the Turkish Soccer Federation. "Our group could not be much worse."

After nearly two years of home-and-home qualifying matches, 22 of these nations will qualify for the first World Cup in the United States. Germany, as the defending champion, and the United States, as the host country, hold automatic berths, avoiding the pratfalls but also the toughening that comes with an arduous qualification process.

Sunday, some preplanned emergency maneuvering by FIFA, soccer's international governing body, avoided potential disaster on a global scale. When the little ball that contained the name of Iraq was plucked at the worst conceivable moment, that country was immediately removed from Saudi Arabia's group and safely placed with China. Soccer tantrums can be as violent as those over oil, or territory.

"Over all, the groups are well-balanced," decided Franz Beckenbauer, who was coach of the West German team that won in Italy in 1990. "It would be difficult to choose between one and another."

Still, there were interesting matchups, from a purely soccer standpoint: Argentina was matched with Colombia, Paraguay and Peru in Group A of South America, competing for only one guaranteed spot and another berth that would require two more qualifying games; evenly matched Belgium, Czechoslovakia, Romania and Wales (plus Cyprus) would have to travel to the remote Faeroe Islands, to play on that tiny nation's brand-new, first grass field, and the fractured Soviet Union was matched with chaotic Yugoslavia, Hungary, Greece, Iceland and Luxembourg in a wide-open grouping that could produce a surprising survivor among its two qualifiers.

As usual, the loudest post-draw whining came from the powerful European sides, who found many things wrong or worrisome with their draws.

The delegations from England and the Netherlands agreed to a summit on Jan. 26 in Amsterdam to discuss security arrangements for the naughtiest fans in Europe.

"It's not as much of a headache as it was three or four years ago, I hope," said Graham Kelly, general secretary of the English Soccer Federation, referring to the prospect of fan violence. "At least we're not in with Ireland this time."

The travel agent for the Northern Ireland Soccer Federation could not believe his misfortune at drawing the only seven-nation grouping in Europe, including not one, but two, of the new Baltic nations. Liechtenstein was an 11th-hour dropout from the draw because of this very same threat.

"This is a nightmare in logistics," said David Segel, who must arrange round trips for the Northern Ireland team to both Latvia and Lithuania. "Who in Latvia is going to do a deal with us?"

The Italian delegation, completely remade after a loss to Norway in qualification matches for the 1992 European championships to be played next summer in Sweden, liked its group, but began lobbying immediately to be headquartered in New York City for the 1994 World Cup.

It did not seem to matter to the Italian Soccer Federation president, Antonio Mattarese, that the sites for the World Cup have not been selected yet, and that Giants Stadium has not yet been recognized as a viable venue.

"Coming to America and not playing in New York would be a big affront to the Italian community, " Mattarese said.

Mattarese took another look at Italy's grouping, with Scotland, Portugal, Switzerland, Malta and reborn Estonia. He was not concerned.

"This group won't cost us any sleep at night," he said. If it did, Mattarese would be as unemployed as his predecessors.

Kitt and Caboodle: Surprise Victory in Downhill Lifts U.S. Team

By Nick Stout
International Herald Tribune

VAL D'ISERE, France — The whole U.S. *Ski Team* — the racers, the coaches, the doctor — was in ecstasy. It was only 9 P.M. Dinner was finished, and they were all whooping it up with champagne.

But the object of the party had already gone to bed. It had been a long day for A. J. Kitt, who with his downhill victory had vaulted the U.S. team into a prominence it had not known since the Olympic feats of Bill Johnson and the Mahre brothers in 1984.

"I'd rather do without it," Kitt said Sunday when asked about all the attention he was attracting. "After a while it gets to be too much. But I survived."

Word got out that Mr. and Mrs. Kitt christened their son A. J. himself because it was the initials of Alberto Tomba, Italy's charismatic ski champion.

His name aside, Kitt, 23, has become the first hero for a rebuilt team that includes Tommy Moe, who finished 13th on Saturday, and Jeff Olson and Kyle Rasmussen and others.

"After the last Olympiad we went through a transition," said Bill Egan, the U.S. men's downhill coach, speaking about the team's dismal performance in Calgary four years ago. "The older athletes were beginning to retire. Some of the younger athletes were not excelling very well. And some of the coaches got a little sour about their work. It left the guys in limbo. So we reorganized, and at the moment we're beginning to realize the rewards from the work over the past four years."

Egan, a former football coach at Saddleback Community College in Mission Viejo, California, contends that the Americans are closer as a group than any other team on the World Cup tour.

"I believe in the team concept," he said. "I think that had a great deal to do with our success here and it will have a great deal to do with our success in the future."

Moe, a 21-year-old Alaskan, concurred. "We have a pretty tight group," he said. "A. J. and Kyle [Rasmussen] particularly [are] proficient when you get to technical stuff. I said that's going to be the interesting challenge of the Olympic downhill course. But in this game, confidence plays a huge role."

The Olympic downhill course in Val d'Isère is different from the Oreiller-Killy piste that the downhillers know and love. It is a new, more demanding course, those who know it say, that will make skiers actually ski instead of simply speeding downhill.

"The Olympics are a great event," Kitt conceded, but he added that a more pressing concern was the World Cup downhill next weekend in Val Gardena, Italy. In two races there last year, Kitt was 9th and 15th.

"I've skied there a lot," he said. "I think I could be good again."

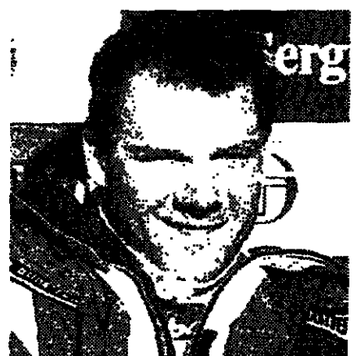
Kitt was born and raised in Rochester, New York, where he still lives and plays summer-league softball. He had his first skis at 2, and was racing on them at 6. By the time he turned 14, Kitt knew he was in ski racing for good, and he persuaded his parents to send him to the Green Mountain Valley ski academy in Vermont for high school.

"And the rest is history," he says.

The history books will show Kitt joining the national team in 1987, entering the World Cup tour in 1988, and, in 1990, placing fourth at a race in Cortina d'Ampezzo, Italy. His results last year were such that he never fell from the top seed — the best 15 racers.

By winning Saturday, Kitt earned a $15,000 first prize and a lot more from performance bonuses that Rossignol and other suppliers may pay.

"He's going to get rich from that race," Egan said. "He's going to make a good deal of money this year. He's going to become a national sports figure, and when people think about skiing, they're going to know who he is."



A. J. Kitt: "I think I could be good again."

CHESS

By Robert Byrne

IF anyone hoped to win a chess game by trotting out the Exchange Variation of the French Defense, many eyebrows would be raised. Yet in the second round of the Interpolis International Tournament in Tilburg, the Netherlands, this very same obsolete array was put on the board by none other than the world champion himself, Gary Kasparov of the Soviet Union. It's anybody's guess what the most hard-driving attacking player of our time had in mind in choosing such a sterile, symmetrical method.

There is a false clue in that his opponent was Viktor Korchnoi, a former challenger for the world title who now makes his home in Switzerland. Korchnoi is an aggressive counterattacker who needs no provocation to create an interesting battle. That could mean that Kasparov was dabbling in the psychological ploy of luring the opponent to overextend himself. But the clue does not hold up when one learns that Kasparov tried to defeat Nigel Short the identical way in Round 6. He got only a draw the second time.

Perhaps Kasparov's motive was purely that of aiming for novelty. Anyway, it's not something he can expect to get much mileage out of. Here is how he won from Korchnoi on Oct. 18.

The exchange 3 ed ed gives away White's spatial superiority, lets the c8 bishop develop and produces a symmetrical position best fitted for a dull draw. But Korchnoi could not resist livening things up by 5...c5. To avoid getting an isolated pawn by a timely dc, Korchnoi thrust 6...c4, but, as Kasparov would show, the d5 pawn is immobile, cannot be protected by another pawn and can come under fire from white pieces.

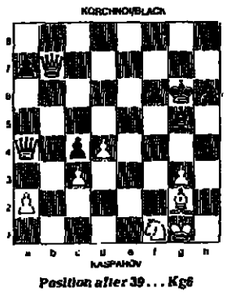
On 14 b3, the consequence of 14...cb would be that White might be able to regroup and achieve the central advance e4. On the other hand, after 14...b5 15 bc bc, Kasparov obtained the option of playing his rooks to either the b or e open files. Though Korchnoi appeared to have unobstructed activity for his pieces, it was difficult for him to form a plan to provide a permanent defense for his d5 pawn.

Kasparov did not mind giving back one of his bishops with 20 Bf6 Bf6, the point being that the black king knight was defending the d5 pawn, whereas the black bishop could not take over that function.

Korchnoi was probably looking ahead to his 25...Bg5, hoping that this would prevent the white knight from ever reaching the key e3 square.

On 29 Re5, shooing the rook away with 29...Bf6 would allow an attack on the black king with 30 Rh5, but of course 29...f6 also represented a weakening of the king position. Kasparov's 34 f4! forced 34...gf 35 Qf3 Rd6, after which he arranged to win a pawn with 36 Re5!

After 38 Qd5, Korchnoi could have put up considerable resistance in the endgame arising from 38...Qd5 39 Bd5 Bc1! 40 Bc4 Bb2 41 Be6 Bc3 42 d5 f5. Instead, he erred with 38...Qa4? and allowed Kasparov to bore in with 39 Qb7



Position after 39... Kg6

Kg6 40 Bc6!, which quickly drove the black king into a mating net.

After 45 Qg2, Korchnoi gave up just in time to avoid 45...Kg4 46 Qe2 Kh3 47 Qh5 mate.

FRENCH DEFENSE

White Kasp'ov	Black Korchnoi	White Kasp'ov	Black Korchnoi
1 e4	e6	23 hg	hg
2 d4	d5	24 Rg2	Re4
3 c4	c4	25 Nf5	Re5
4 Nc3	Nc6	26 Rd2	Rb5
5 Bd3	c:c	27 Qh1	Rb3
6 0-0	a6	28 Re2	Re5
7 Re1	Be7	29 Re5	f6
8 Nf1	0-0	30 Rh5	Re6
9 Bg5	Bg4	31 Qd1	Rb6
10 h3	Bh5	32 Re1	Nb4
11 Qf3	Na5	33 Qe2	Rf7
12 g4	Bg6	34 f4	Rd6
13 Ng3	Rc8	35 Qf3	Rd8
14 b3	b5	36 Re5	Rd7
15 a:b	a:b	37 Re6	Qe7
16 Rab1	Bd6	38 Qd5	Qa4
17 h4	Re1	39 Qb7	Kg6
18 Re1	Re8	40 Bc6	Resign
19 Rb1	Bf8	41 Be4	
20 Bf6	Bf6	42 Bf3	
21 Rb7	Qd7	43 Qb7	
22 Rb5	Kg7	44 Bg2	
23 Qd1		45 Qg2	

BOOKS

SILVERADO: Neil Bush and the Savings & Loan Scandal

By Steven K. Wilmsen. 208 pages. $19.95. National Press Inc. 7200 Wisconsin Avenue NW, Suite 212, Bethesda, Md. 20814.

Reviewed by Steven Mufson

WERE it not for the presence of the president's son, Neil Bush, on its board of directors, the Denver-based savings and loan Silverado would be just another anonymous institution among hundreds of onetime high-fliers on the scrap heap of the 1980s.

Despite that particular bit of notoriety, however, Silverado was all too typical of America's greatest financial scandal, featuring misleading accounting, bad real estate deals, big executive salaries, and a pervasive absence of fiduciary responsibility to shareholders, depositors or taxpayers.

Denver Post reporter Steven Wilmsen's slender book "Silverado: Neil Bush and the Savings & Loan Scandal" does not add much to the information already printed in newspapers about Silverado. Neil Bush or the S & L mess, though one could argue that the savings and loan scandal bears retelling at least as many times as thrift failures took place.

Unfortunately the tale is not especially well told. Wilmsen gives brief caricatures of the leading characters in Silverado's story, without any penetrating portraits. He tends toward overstatement. A Silverado executive "walked with noiseless fluidity, like smoke, and his vision seemed to arc so that he looked down upon even taller people." A real estate tycoon "sat in his office chair as if it were a throne, and the lawyers fairly kneeled at his side . . ." Another businessman is described as looking "like an elf working in Keebler's magic kitchen."

Perhaps Wilmsen wanted to make the characters larger than life. But one reason the public has trouble identifying and latching onto villains in the S & L scandal is the very banality of the entire industry and the people who wrecked much of it.

The search for a "face" for the scandal led to the attention focused on Silverado and its young director, Neil Bush. Bush was invited onto Silverado's board at age 29 for the sake of his last name. He accepted and arguably failed in his duty as a director, overlooking conflicts of interest he had between his roles as director and as business partner of Silverado borrowers on the verge of financial ruin. But Neil Bush was a walk-on character in this financial calamity; he was not central to the failure of the Silverado thrift. That is unconsciously reflected in Wilmsen's book, which, despite the subtitle and the cover photograph of Neil Bush swearing an oath, deals only in small part with Neil Bush.

The key issues in the Silverado failure are covered, but one longs for Wilmsen to deal with them in a more sophisticated manner, rather than railing against evildoers. He does not take our knowledge of this S & L episode further, nor does he deal with the more profound issues raised by the scandal.

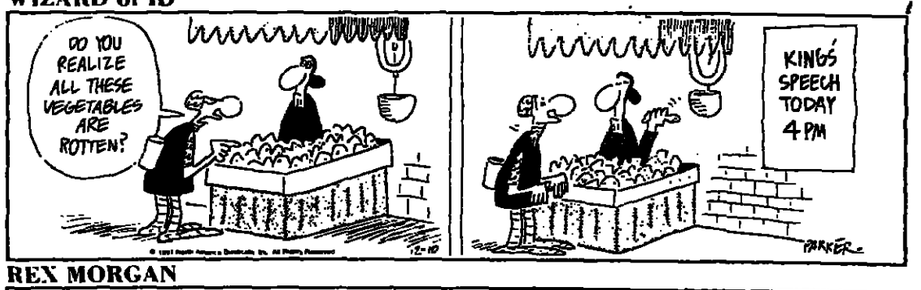
Steven Mufson is on the staff of The Washington Post.

PEANUTS

BEETLE BAILEY

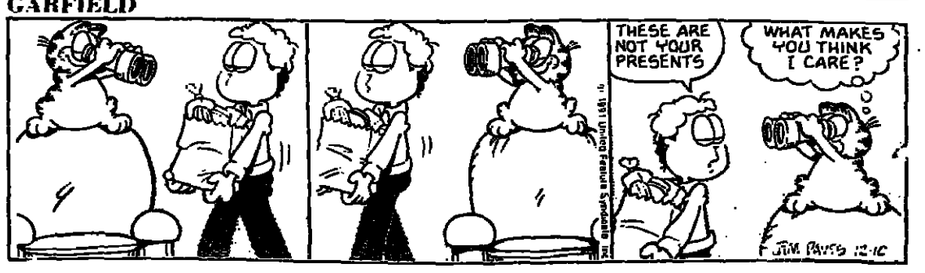
CALVIN AND HOBBES

WIZARD of ID



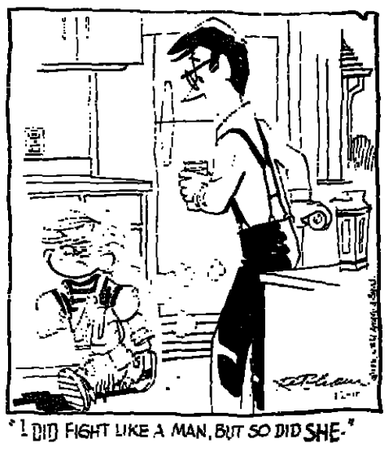
REX MORGAN

GARFIELD



DOONESBURY

DENNIS THE MENACE



JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

WROPE

UGLIE

LYNFOD

MIRSUQ

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

(Answers tomorrow)

Yesterday's Jumbles: DITTY STOKE TIMELY LAUNCH
Answer: How a successful thief goes about his business — STEAL-THILY

هكذا من الاصل

5 AFC T… In Playo… Just 1 in

The… Five American… teams are in the Nati… league's playoffs… Washington in the N… contest. And the defe… last champions are g… When Atlanta beat… Jets Rams, hours af… York Giants lost to Phi… Sunday, the NFL ch… ans, at 7-7, had been… from playoff contenti… While the Giants… nearing Houston, Kan… the Los Angeles R… clinching postseason b… AFC. The Oilers route… to take the Central… first. The Chiefs edge… in overtime and can c… also a wild-card berth… first-place Denver Br… the AFC West.

The Chiefs are t… Raiders, who lost in… Buffalo. The Raiders… earned a wild card whe… and the New York Jets… Jets (7-7), Browns (… Hawks (6-8) remain alive… card berth. Cleveland… must win their last tw… have any chance.

Buffalo already had… AFC East title and nee… victory or a loss by… clinch the homefield… throughout the confe… offs.

Miami is "a headin… day night's game aga… nati. The Dolphins w… playoffs by winning… three games.

The NFC is far mo… Only Washington, wh… the East and, at 10-1… the homefield edge th… conference playoffs, is… Chicago and Detro… atop the Central at 10… Bears holding the edge… tiebreakers with a be… and conference record… make the playoffs b… their final two games.

Philadelphia, Atlant… Jeans and Dallas are 9… Francisco is 8-6. The… likely to make the pla… don't win their final… Kansas City and C… could still fall with a l…

The Cowboys play… and then the Falcons… two games. Dallas w… playoffs by winning bo… it beats Seattle and D… win the West title. If… beat the Cowboys an… they also make the p… same is true if the Sai… Raiders and the Cardi…

SIDELINE…

Heysel Com…

BRUSSELS (AP) — … soccer federation UE… victims of the 1985 He… ministry said Monday.

"Following the fina… possible the victims a… interior ministry said i…

It said the total am… francs, or $6.1 million… soccer federation will… picking up the other 1…

For the Rec…

Bill Fox, 63, preside… opponent of the propo… after a short illness. Je…

The death of Robert … United with a bill for $… financial support and c… players up for sale.

Salvatore (Toto) Sch… to rest for a month afu…

John Mackovic, pres… leading candidate to su… coach, several papers i…

Quotable

● Fay Vincent, the … Warner, Republican of … betting: "As far as I'm …

● Bob Weiss, coach … exciting — Of course, …

● Steve Courson, the… may have treated us a… classier than others."

ACROSS

1 Sell tickets illegally
6 June honorees
10 Tell all
14 Part of A.F.L.
15 Mediterranean feeder
16 The —— of Riley
17 Hippodrome
18 Topsoil
19 "—— boy!"

Solution to Prev…

S	E	T	S			M	A	I						
T	R	O	T			E	E	R						
A	I	D	E			E	D	R	A					
G	E	O	R	G	I	A								
			I	R	A	T	E							
S	C	A	L	E		E	N	E						
H	A	B	E	A	S		T	A						
I	D	A		T	A	P	E							
M	E	S	A		D	E	E	T	A					
S	T	E	L	A			T	A						
			A	S	H		T							
A	L	I	B	I		E	D							
L	I	R	A			I	R	E						
A	D	A	M			R	A	N						
R	O	N	A			S	T	A						

SPORTS

5 AFC Teams In Playoffs, Just 1 in NFC

The Associated Press

Five American Conference teams are in the National Football League's playoffs, along with Washington in the National Conference. And the defending Super Bowl champions are gone.

When Atlanta beat the Los Angeles Rams, hours after the New York Giants lost to Philadelphia on Sunday, the NFL champion Giants, at 7-7, had been eliminated from playoff contention.

While the Giants were disappearing, Houston, Kansas City and the Los Angeles Raiders were clinching postseason berths in the AFC. The Oilers routed Pittsburgh to take the Central crown, their first. The Chiefs edged San Diego in overtime and can do no worse than a wild-card berth. They trail first-place Denver by one game in the AFC West.

The Chiefs are tied with the Raiders, who lost in overtime to Buffalo. The Raiders, however, secured a wild card when Cleveland and the New York Jets lost. But the Jets (7-7), Browns (6-8) and Seahawks (6-8) remain alive for a wild-card berth. Cleveland and Seattle must win their last two games to have any chance.

Buffalo already had clinched the AFC East title and needs one more victory or a loss by Houston to clinch the homefield advantage throughout the conference playoffs.

Miami is 7-6 heading into Monday night's game against Cincinnati. The Dolphins will make the playoffs by winning their final three games.

The NFC is far more muddled. Only Washington, which has won the East and, at 13-1, has clinched the homefield edge throughout its conference playoffs, is in.

Chicago and Detroit are tied atop the Central at 10-4, with the Bears holding the edge in division tiebreakers with a better division and conference record. Both teams make the playoffs by sweeping their final two games.

Philadelphia, Atlanta, New Orleans and Dallas are 9-5, while San Francisco is 8-6. The 49ers aren't likely to make the playoffs if they don't win their final two, against Kansas City and Chicago, and could still fail with a 10-6 record.

The Cowboys play the Eagles and then the Falcons in their final two games. Dallas will make the playoffs by winning both. If Atlanta beats Seattle and Dallas, it will win the West title. If the Eagles beat the Cowboys and Redskins, they also make the playoffs. The same is true if the Saints beat the Raiders and the Cardinals.

Bills Find New Way to Pain Raiders: The Boot in Overtime

By Thomas George
New York Times Service

LOS ANGELES — It was not 51-3, but it was just as embarrassing for the Los Angeles Raiders, and equally as lousy.

Their 27-14 lead against the Buffalo Bills late in the fourth quarter had evaporated to a 27-27 tie by the end of regulation Sunday. And then, when Scott Norwood kicked a 42-yard field goal 2 minutes 34 seconds into overtime to give the Bills a 30-27 victory, all the Raiders could do was leave the field with their heads down and their hearts pierced, wondering just what it takes to win against these quick-scoring, no-huddle Bills.

They know this: it took a lot more from quarterback Jay Schroeder, who was a miserable 0 for 4 passing with two killing interceptions after the half.

The Raiders escaped the first one, which the Bills' cornerback, Nate Odomes, returned 48 yards to set up Norwood's field goal attempt from 35 yards with 15 seconds left in regulation. Norwood missed wide left.

The second interception of Schroeder, which Mark Kelso made at the Bills' 38 in the overtime, set up a drive that Norwood made good on, giving Buffalo (12-2) the victory and the Raiders (9-5) a severe headache.

The Bills, who dismantled the Raiders, 51-3, last season in the AFC championship game, had already clinched the American Conference East. They remained in front in the AFC chase for homefield advantage throughout the playoffs, while the Raiders slipped to 9-5 and into a second-place tie with the Kansas City Chiefs in the AFC West.

Both teams trail the Denver Broncos (10-4) by a game with each team having two left to play.

The former Raider James Lofton tied the score with a minute left in regulation on a nine-yard scoring pass from Jim Kelly. Kenneth Davis's one-yard run with 4:06 left in the fourth quarter had pulled the Bills to 27-20, but Norwood missed the extra point.

Norwood missed that one, barely made another off the uprights and missed field goals from 35, 32 and 49 yards.

"The field was in fine shape. My attitude was positive all day. I just didn't have a feel for it," he said. "My body just did not react positively."

"Of course, I had doubt about that last kick," said the Bills' coach, Marv Levy. "You have doubts if he had made 15 in a row. I don't know what the problem was. I didn't even talk to him.

"This is the only bad game Scott has had in his long career. He had a chance to redeem himself, and he did."

Kelly threw for career highs in passes (52) and completions (33) and finished with 347 yards passing, two touchdowns and one interception.

Schroeder was 11 of 21 passing for 252 yards and one touchdown.

A 91-yard kickoff return for a touchdown by Al Edwards prevented the Raiders from dominating the first half, though they still held a 20-14 halftime lead.

Los Angeles scored the game's first 10 points on Jeff Jaeger's 19-yard field goal and Tim Brown's 78-yard scoring catch, one where Brown ran down the left side of the field and eluded cornerback Kirby Jackson after running 10 yards, spinning outside and then back inside where he made the catch.

Then Brown ran across the field with the ball and down the right sideline, breaking Keslo's tackle near the Bills' 30 before scampering into the end zone.

Edwards responded on the ensuing kickoff and made the score 10-7 with 1:13 left in the first quarter.

A 12-yard run by the Raiders' Nick Bell with 10:10 left, Kelly's 9-yard toss to tight end Keith McKeller with 50 seconds left and Jaeger's 28-yard field goal as time expired completed the first-half scoring.

The Raiders featured a balanced attack in the half: 182 yards passing and 113 rushing that helped account for a decisive 21:33-to-8:27 advantage in possession time in the half and a 41-22 lead in number of plays.

The Raiders increased their lead to 27-14 in the third quarter by going 75 yards in 9 plays in a drive that took nearly six minutes. Marcus Allen capped it with a 1-yard scoring run. Buffalo's best scoring chance in the quarter ended on Norwood's 49-yard field goal attempt with 2:27 left. It had the distance but stayed wide right.

The Falcons Love California

Compiled by Our Staff From Dispatches

The Atlanta Falcons assured themselves of their first winning season in nine years and moved into the driver's seat in the NFC West race with a fourth straight victory, a 31-14 pasting of the Los Angeles Rams in Anaheim, California.

The surging Falcons moved into a tie for the NFC West lead with the New Orleans Saints, who lost their fourth in a row, to Dallas. But Atlanta, which closes its regular season against Seattle and Dallas, actually got an edge in the division race with its victory over the Rams, who've lost eight straight.

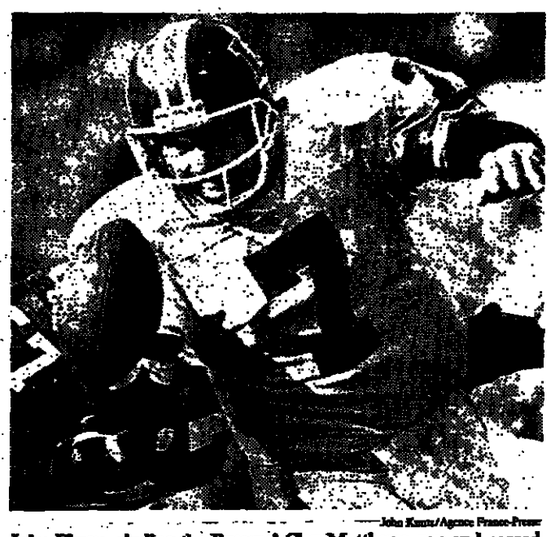
The Falcons have a 5-1 record against NFC West opponents, while the Saints — with games left against the Los Angeles Raiders and Phoenix — finished their division schedule at 4-2. Thus, Atlanta would have the tiebreaker advantage over the Saints.

The Falcons' victory also completed a sweep of California teams this season: they've beaten the Rams and 49ers both twice, and the Raiders and Chargers once each.

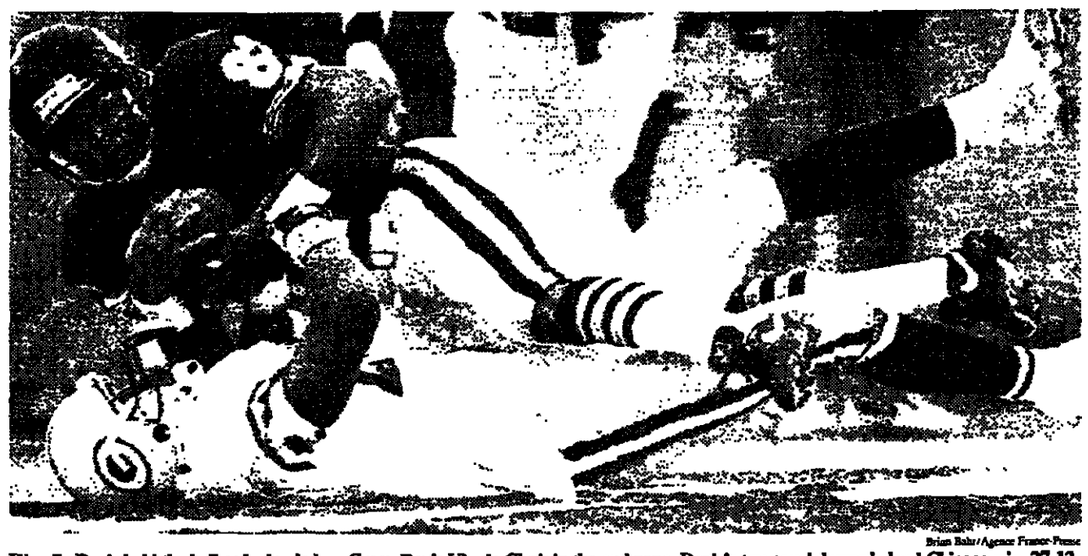
"Now we're California state champs," said Atlanta's coach, Jerry Glanville. "We're 6-0 and we're going to go out and buy a big trophy."

Chris Miller was 19 of 28 passing for 271 yards and two touchdowns. Michael Haynes had six catches for 112 yards, with a nine-yard touchdown reception in the third quarter. Andre Rison caught six for 77 yards, with a six-yard TD.

Brian Jordan had an interception and two sacks as the Atlanta defense put the clamps on Jim Everett and the Rams. Everett completed just seven of 16 for 109 yards with two interceptions, and he also lost a fumble and was sacked three times.



John Elway, eluding the Browns' Clay Matthews, ran and passed the Broncos into the playoffs with a 17-7 victory in Cleveland.



Brian Bahr/Agence France-Presse

Wendle Davis held the ball as he landed on Green Bay's Vinnie Clark in the end zone. Davis's two touchdowns helped Chicago win, 27-13.

NFL ROUNDUP

Lions 34, Jets 20: In Pontiac, Michigan, there was too much Barry Sanders and too much defense for New York as Detroit posted its first 10-victory season in 21 years.

It was the fourth consecutive win for the Lions; the Jets now have lost their last 22 games against teams with winning records.

Sanders rushed for 114 yards and two touchdowns on 20 carries before spraining a knee late in the fourth quarter.

The Lions' defense, with five takeaways, has forced 17 turnovers in the last three games. But nose tackle Jerry Ball was sidelined by what he claimed was a cheap-shot block by Brad Baxter.

49ers 24, Seahawks 22: Quarterback Steve Bono gave San Francisco its fourth victory in a row when, with 1 minute 8 seconds left in the game in Seattle, he completed a 15-yard touchdown pass over the middle to John Taylor.

Seconds earlier, Bono and Taylor had teamed on a 41-yard pass play to set up the score.

San Francisco almost handed the game to Seattle, turning the ball over on two fumbles and two interceptions. After being up by 17-9 late in the third quarter, the 49ers were facing a 22-17 deficit when Bono and Taylor put on the sort of show that's usually reserved for Joe Montana and Jerry Rice.

Redskins 20, Cardinals 14: In Tempe, Arizona, NFC East champion Washington trailed by 14-0 at halftime, then Mark Rypien threw two third-quarter touchdown passes. Chip Lohmiller kicked two fourth-quarter field goals, the defense was stiffling and the Cardinals had a sixth straight loss.

After gaining 121 yards in the first half, the Redskins opened the second half by grinding out touchdown drives of 80 and 71 yards. The first ended with Terry Orr catching a four-yard touchdown pass and the second ended with Ricky Sanders catching a 17-yarder.

When the quarter was over, the Redskins had gained 155 yards and allowed zero. Lohmiller's 42-yard field goal with 9:04 left in the fourth quarter gave them the winning points, and Brad Edwards's interception two plays later sealed it.

Vikings 26, Bucs 24: Herschel Walker ran 71 yards for a touchdown on the last play of the first quarter in Tampa, Florida, and Fuad Reveiz kicked four field goals, two from 50 yards, as Minnesota kept alive its slim playoff hopes.

The Vikings rushed for 296 yards, with Walker getting a season-high 126 on 16 carries.

■ *In earlier games, reports of which appeared in some editions of Monday's International Herald Tribune:*

Eagles 19, Giants 14: In East Rutherford, New Jersey, the defending champion Giants were all but eliminated from playoff contention as Jeff Kemp replaced an injury Jim McMahon and rallied Philadelphia from an 11-point first half deficit.

Kemp threw an 8-yard touchdown pass to Calvin Williams just before halftime and Roger Ruzek kicked four field goals, his go-ahead 51-yarder early in the fourth quarter helping the Eagles win their sixth straight and seventh in the last eight meetings with New York.

New York turned the ball over three times to the league's top-ranked defense, committed costly penalties, gave up big plays and didn't take advantage of three second-half possessions that started in the Eagles' territory.

Chiefs 20, Chargers 17: Nick Lowery's 20th straight successful field goal, an 18-yarder with 3:34 left in overtime in Kansas City, pulled out a victory after San Diego had led by 14-0 at halftime.

On Kansas City's third possession of the overtime, Barry Word ran 28 yards for a first down on the 1, and the Chiefs elected not to try another play before summoning the reliable Lowery.

Kansas City's previous possession ended when Brian Barker's punt was downed at the San Diego 1 on a nifty play by Todd McNair and Charles Washington. The Chargers then punted on third-and-10, giving the Chiefs possession on the San Diego 30.

After blowing a 14-0 lead, the Chargers tied at 17 on John Carney's 27-yard field goal with 11 seconds left in regulation.

Oilers 31, Steelers 6: After failing two weeks in a row to wrap up their first AFC Central title, the Oilers got the crown with ease against visiting Pittsburgh.

Allen Pinkett breathed life into the running game with touchdown runs of 7 and 11 yards and gained 98 yards on 16 carries. Linebacker Al Smith provided late-game excitement with a 70-yard fumble return for a touchdown in the fourth quarter after Lamar Lathon forced Pittsburgh quarterback Neil O'Donnell's fumble.

The Oilers sacked O'Donnell seven times for 41 yards in losses.

After a slow start, Warren Moon finished strong, completing 23 of 36 passes for 254 yards.

Patriots 23, Colts 17: New England, down two wide receivers and down by 14 points, knocked out Indianapolis with a 45-yard overtime touchdown pass from Hugh Millen to Michael Timpson in Foxboro, Massachusetts.

(AP, WP, NYT)

SIDELINES

Heysel Compensation Due Soon

BRUSSELS (AP) — Belgium, its soccer federation and the European soccer federation UEFA will soon start paying compensation to the victims of the 1985 Heysel soccer riots that killed 39 people, the interior ministry said Monday.

"Following the final court rulings, it is important to pay as soon as possible the victims and the relatives with compensation rights," the interior ministry said in a statement.

It said the total amount of compensation stood at about 200 million francs, or $6.1 million. Under an agreement, the Belgian state and its soccer federation will each pay 42.5 percent of the cost with UEFA picking up the other 15 percent.

For the Record

Bill Fox, 63, president of the English Football League and a fierce opponent of the proposed breakaway Premier League, died Sunday night after a short illness, league officials said Monday. *(AP)*

The death of Robert Maxwell landed ailing English soccer club Oxford United with a bill for $3.6 million Monday when his family withdrew its financial support and called in its debt. United put all its 28 professional players up for sale. *(AP)*

Salvatore (Toto) Schillaci, Juventus' World Cup star, has been ordered to rest for a month after aggravating a thigh injury Sunday. *(AFP)*

John Mackovic, present the football coach at Illinois, appears to be the leading candidate to succeed David McWilliams as Texas' next football coach, several papers in the state reported. *(AP)*

Quotable

● Fay Vincent, the commissioner of baseball, asked by Senator John Warner, Republican of Virginia, if he considered horse racing to be sports betting: "As far as I'm concerned, horse racing isn't sports."

● Bob Weiss, coach of the NBA Atlanta Hawks: "We're going to be exciting — Of course, it was exciting when the Titantic went down."

● Steve Courson, the one-time Pittsburgh Steeler: Coach "Chuck Noll may have treated us all like dogs, but some of the kennels were a little classier than others."

SCOREBOARD

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

East	W	L	T	Pts	PF	PA
x-Buffalo	12	2	0	.857	409	294
Miami	7	6	0	.538	256	275
N.Y. Jets	7	7	0	.500	285	267
New England	5	9	0	.357	196	273
Indianapolis	1	13	0	.071	133	329
Central						
x-Houston	10	4	0	.714	349	213
Cleveland	6	8	0	.429	269	264
Pittsburgh	5	9	0	.357	258	324
Cincinnati	2	11	0	.154	211	374
West						
y-Denver	10	4	0	.714	263	202
y-Kansas City	9	5	0	.643	281	203
y-L.A. Raiders	9	5	0	.643	277	243
Seattle	6	8	0	.429	249	226
San Diego	3	11	0	.214	222	295

NATIONAL CONFERENCE

East	W	L	T	Pts	PF	PA
x-Washington	13	1	0	.929	429	183
Philadelphia	9	5	0	.643	248	197
Dallas	9	5	0	.643	286	270
N.Y. Giants	7	7	0	.500	240	243
Phoenix	4	10	0	.286	174	293
Central						
Chicago	10	4	0	.714	258	217
Detroit	10	4	0	.714	301	264
Minnesota	7	7	0	.500	274	265
Green Bay	3	11	0	.214	229	285
Tampa Bay	2	12	0	.143	182	335
West						
Atlanta	9	5	0	.643	308	294
New Orleans	9	5	0	.643	287	208
San Francisco	8	6	0	.571	313	221
L.A. Rams	3	11	0	.214	211	347

x-clinched division.
y-clinched playoff berth.

SUNDAY'S RESULTS
Denver 17, Cleveland 7
Chicago 27, Green Bay 13
New England 23, Indianapolis 17, OT
Dallas 23, New Orleans 14
Philadelphia 19, New York Giants 14
Houston 31, Pittsburgh 6
Kansas City 20, San Diego 17, OT
Atlanta 31, Los Angeles Rams 14
Buffalo 30, Los Angeles Raiders 27, OT
Detroit 34, New York Jets 20
San Francisco 24, Seattle 22
Washington 20, Phoenix 14
Minnesota 26, Tampa Bay 24
MONDAY'S GAME
Cincinnati at Miami
SATURDAY'S GAMES
Tampa Bay at Chicago
Kansas City at San Francisco
SUNDAY'S GAMES
Cincinnati at Pittsburgh
Dallas at Philadelphia
Seattle at Atlanta
Detroit at Green Bay
Houston at Cleveland
Los Angeles Rams at Minnesota
New England at New York Jets
New York Giants at Washington
Miami at San Diego
Phoenix at Denver
Buffalo at Indianapolis
NEXT MONDAY'S GAME
Los Angeles Raiders at New Orleans

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct	GB
Boston	12	6	.667	—
New York	11	6	.647	½
Philadelphia	9	10	.474	3½
Miami	8	10	.444	4
Orlando	6	11	.353	5½
Washington	6	14	.300	7
New Jersey	5	13	.278	7
Central Division				
Chicago	15	3	.833	—
Cleveland	11	6	.647	3½
Atlanta	10	9	.526	5½
Detroit	9	11	.450	7
Milwaukee	9	11	.450	7
Indiana	8	13	.381	8½
Charlotte	6	15	.286	10½
WESTERN CONFERENCE				
Midwest Division				
Utah	12	8	.600	—
San Antonio	10	7	.588	½
Houston	9	8	.529	1½
Denver	8	9	.471	2½
Dallas	7	12	.368	4½
Minnesota	3	13	.188	7
Pacific Division				
Golden State	12	5	.706	—
L.A. Lakers	13	6	.684	—
Portland	13	7	.650	½
Seattle	11	7	.611	1½
Phoenix	12	9	.571	2
L.A. Clippers	10	10	.500	3½
Sacramento	6	12	.333	6½

SUNDAY'S RESULTS

San Antonio	28	25	17	21—	83
Milwaukee	23	27	24	28—102	

Robinson 8-13 3-5 19, Elliott 7-15 4-4 18; Malone 4-7 13-14 21, Ellis 5-11 5-7 17. Rebounds—San Antonio 49 (Robinson 9), Milwaukee 58 (Malone 14). Assists—San Antonio 23 (Johnson 9), Milwaukee 24 (Robertson 6).

Dallas	14	14	22	32—	82
L.A. Lakers	28	22	24	29—103	

Harper 8-15 1-2 20, Blackmon 6-15 4-4 17; Green 6-11 4-9 16, Scott 6-10 4-4 16, Perkins 6-13 2-2 14, Teagle 7-12 0-0 14. Rebounds—Dallas 43 (T.Davis 7), Los Angeles 61 (Perkins 11). Assists—Dallas 21 (McCray, Harper 4), Los Angeles 31 (Threatt 9).

Selected College Scores

Kings Point 87, St. Joseph's, N.Y. 66
Manhattan 79, Navy 75
NYU 89, Brandeis 76
Rochester 82, Carnegie-Mellon 68
Utica 62, S. Maine 61
Case Western 66, Emory 59
Detroit 100, Georgia St. 86

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
Washington	20	9	0	40	133	94
N.Y. Rangers	17	11	1	35	98	89
New Jersey	15	10	3	33	110	84
Pittsburgh	14	10	4	32	120	103
N.Y. Islanders	9	14	3	21	93	101
Philadelphia	9	15	3	21	79	98
Adams Division						
Montreal	19	11	2	40	102	68
Boston	17	12	5	27	96	100
Hartford	13	12	4	26	87	96
Buffalo	9	14	4	22	82	95
Quebec	8	17	3	19	93	116

CAMPBELL CONFERENCE

Norris Division	W	L	T	Pts	GF	GA
Detroit	16	9	4	36	115	96
Chicago	13	12	5	31	106	95
St. Louis	12	10	6	30	93	94
Minnesota	10	14	3	23	87	95
Toronto	9	16	4	22	75	97
Smythe Division						
Vancouver	17	10	3	37	104	85
Winnipeg	15	8	6	36	90	84
Calgary	12	13	4	28	107	101
Los Angeles	11	12	6	28	103	115
Edmonton	11	13	5	27	95	100
San Jose	6	22	2	14	73	135

SUNDAY'S RESULTS

New Jersey	0	0	2	0—2
Philadelphia	1	0	1	0—2

Richer (14), Todd (10); Eklund (4), Huffman (3). Shots on goal: New Jersey (on Roussel) 6-12-10-1—29. Philadelphia (on Terreri) 20-3-9-2—33.

Calgary	0	2	1	1—4
Buffalo	0	2	0	0—2

Gilmour (8), Osiecki (1), Roberts 2 (19); Patterson (3), Snuggerud (2). Shots on goal: Calgary (on Draper) 8-13-10—31. Buffalo (on Vernon) 9-16-10—35.

Boston	0	0	0	0—0
N.Y. Rangers	2	0	2	0—4

Patrick (4), Gartner (15), Amonte (12), Nemchinov (11). Shots on goal: Boston (on Richter) 9-10-11—30. New York (on Moog) 10-16-7—33.

San Jose	0	1	0	1—1
Edmonton	1	1	1	1—4

Falloon (8); Murphy (11), Damphousse (10), Kilma (8). Shots on goal: San Jose (on Rantord) 14-7-9—30. Edmonton (on Tribe) 9-9-5—23.

Washington	0	0	2	1—3
Winnipeg	1	1	2	0—4

Hunter (7), Khristich (15), Miller (4); Elynuik (6), Osborne (2), Barnes (7), Numminen (3). Shots on goal: Washington (on Essensa, Beauregard) 12-12-10—34. Winnipeg (on Lhut) 14-8-6—28.

Minnesota	1	0	0	0—2
Chicago	3	2	2	0—7

Gosner (11), Modano (8); Sutter (7), Larmer 3 (15), Roenick 2 (24), Marchment (1). Shots on goal: Minnesota (on Belfour) 6-4-8—18. Chicago (on Casey, Wakaluk) 10-10-8—28.

TRANSACTIONS

BASEBALL
American League

BALTIMORE—Agreed to terms with Dwight Evans, outfielder, on 1-year contract.

CHICAGO—Signed Chris Cron and Ever Magallanes, infielders, and Brad Komminsk, outfielder, to minor-league contracts. Named Doug Mansolini first base coach and Mike Squires bullpen coach. Agreed to terms with Carlton Fisk, catcher, on one-year contract.

DETROIT—Agreed to terms with Dave Bergman, first baseman, on one-year contract.

MILWAUKEE—Acquired Jesse Orosco, pitcher, from Cleveland for player to named later. Designated Mickey Brantley, outfielder, for assignment.

MINNESOTA—Named Phil Roof manager of Orlando, Southern League.

OAKLAND—Signed Carney Lansford, third baseman, to one-year contract.

TEXAS—Agreed to terms with Brian Downing, designated hitter, on one-year contract, and Geno Petralli, catcher, on 2-year contract.

Joyner Signed by Royals For $4.2 Million, 1 Year

The Associated Press

MIAMI BEACH, Florida — Wally Joyner, whose once-sweet career in California soured through the years, joined the Kansas City Royals on Monday when he signed a one-year, $4.2 million contract as a free agent.

Joyner, 29, hit .301 with 21 home runs and 96 runs batted in in 1991. But his relationship with the Angels' owner, Gene Autry, was said to be poor and when California traded for Philadelphia's Von Hayes on Sunday, it hastened Joyner's departure.

The Royals wanted a full-time first baseman, and Joyner's acquisition will make George Brett, 38, the permanent designated hitter.

Joyner can also become a free agent again after next season because the Royals agreed to waive the restriction on repeat free agency within five years.

"It was probably the toughest decision I've made," Joyner said, pausing for long periods and holding back tears. "I've enjoyed my time with the Angels. That's where 'Wally World' started. But in my opinion, I didn't see any future with myself and the Angels."

Joyner spent his entire major league career with California. He hit .290 with 22 home runs and 100 RBIs in 1986, finishing second to Jose Canseco in the AL rookie of the year voting.

The Royals are looking for offense because outfielder Danny Tartabull became a free agent and is unlikely to re-sign.

Whitey Herzog, the Angels' new general manager, got the trading going at the major league baseball's winter meetings — and promised it was just the beginning — when he acquired Hayes from the Phillies for outfielder Ruben Amaro Jr. and left-handed pitcher Kyle Abbott.

Shortly before midnight, San Diego and Cincinnati finally completed a deal that sent reliever Randy Myers to the Padres for infielder-outfielder Bip Roberts.

The Reds see Roberts as a leadoff hitter and part of the puzzle to rebuilding the offense now that Eric Davis is gone. Roberts, who will play second and left, hit .281 last season with three homers and 32 RBIs.

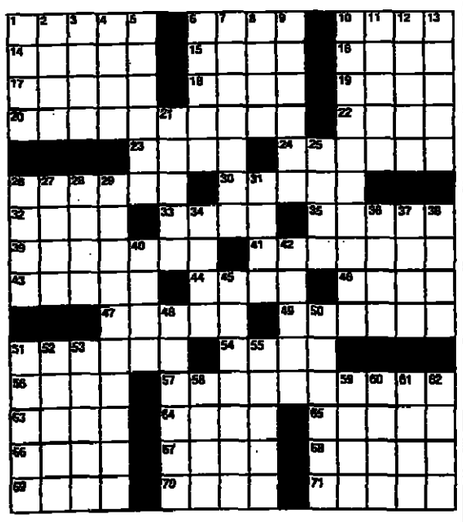
CROSSWORD

ACROSS

1 Sell tickets illegally
6 June honorees
10 Tell all
14 Part of A.F.L.
15 Mediterranean feeder
16 The —— of Riley
17 Hippodrome
18 Topsoil
19 "—— boy!"
20 Gardener's asset
22 Sonny's ex
23 Numismatist's prize
24 Glacial ridges
26 Representations
30 Pub game
32 Treaty acronym
33 Mozart's "—— fan tutte"
35 "It takes —— o' livin' . . .": Guest
39 Outstanding
41 Purplish-red
43 Cronyn's wife
44 Gaelic
46 Letters from Greece
47 Wipe clean
49 Be contrite
51 Finishing tool
54 Buy —— in a poke
56 Cicero's city
57 Misleading clue
63 . . . bug in ——
64 Lamb's pen name
65 Phantasmal
66 Cancel
67 Pearl Buck book
68 Milano's *La* ——
69 Standout
70 Buster Brown's dog
71 Beef source

DOWN

1 Dross
2 Singer Vikki ——
3 Busy as ——
4 Isolated
5 Cavort
6 City on the Jumna
7 Teems
8 Sixty grains
9 Gloomy
10 Deviant in a group
11 Flexible
12 Subsequent to
13 Stock-market figures
21 Puccini heroine
25 Kind of party
26 M.I.T. is one
27 —— Hari
28 ". . . —— o'clock scholar"
29 Retiree
31 Intentions
34 Cinnebar and bauxite
36 Being: Sp.
37 —— end (over)
38 One of the tenses
40 Harp relative
42 Lofty nest
45 School subject
48 Police action
50 Emerge
51 Madrid museum
52 Signora Ponti
53 Stubborn as ——
55 Stage
58 French saint
59 A parallelogram: Abbr.
60 Dies ——
61 Green shade
62 Equipment



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Solution to Previous Puzzle

S	E	T	S		M	A	I	D	S		F	L	A	T
T	R	O	T		E	E	R	I	E		L	O	R	E
A	I	D	E		D	R	A	M	A		O	R	E	L
G	E	O	R	G	I	A		E	T	E	R	N	A	L
		I	R	A	T	E		S	K	I				
S	C	A	L	E		E	N	D		E	D	E	M	A
H	A	B	E	A	S		T	U	N		A	L	A	N
I	D	A		T	A	P	R	O	O	M		F	I	N
M	E	S	A		D	E	E		R	E	T	I	N	A
S	T	E	L	A		T	A	G		T	I	N	E	S
		A	S	H		T	A	K	E	N				
A	L	I	B	I	E	D		I	N	D	I	A	N	A
L	I	R	A		I	R	E	N	E		E	V	A	S
A	D	A	M		R	A	N	E	E		S	E	M	I
R	O	N	A		S	T	A	R	S		T	R	E	S

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ART BUCHWALD

A Tough Act to Follow

WASHINGTON — What do these people have in common — Oliver North, Seymour Hersh, Sally Quinn, Martha Stewart, Norman Mailer, Wilt Chamberlain and myself?

We're all out on the road flogging our books. We are appearing on TV, radio, cable, carrier pigeon, pony express, in newspaper city rooms and bookstores shamelessly drumming up our products.

Until recently, it was a fair contest with no winners and no losers. But then Wilt Chamberlain announced that in his lifetime he had made love to 20,000 women or 1.4 a day. It was, as we say in the book business, a hard act to follow.

□

I was immediately recalled from Kansas City to Putnam's headquarters in New York where a grim-faced team of publicists and editorial big shots were waiting for me in the situation room.

"What do you plan to do about Chamberlain's record?" the chief editor wanted to know.

"It's too late to break it," I told her. "All I can come up with are two ladies I met when I was in Hawaii during World War II."

The publicity director said, "No one wants to book you on their shows any more. Chamberlain has decimated every writer in the United States. Think hard — there must be more than two."

"Maybe there were four, but there sure as heck weren't 20,000. Why do I have to match Chamberlain's exploits in bed? I've ripped up John Sununu 1.3 times a page in my book. Doesn't that count for something?"

The TV publicity woman added, "Sununu has no sex appeal."

□

For some reason they all made me feel ashamed of my track record. "Geraldo Rivera won't have you on his show," the publicity director announced. "He informed us that he doesn't interview eunuchs."

The publisher asked, "You've lived as long as Wilt Chamberlain — what did you do with your life?"

"I squandered it," I yelled. "While Chamberlain was swinging from the ceiling, no one would even let me play spin the bottle."

"Wait a minute," said the editorial director, "we may be on to something. How many times in your life have you been rejected?"

I started counting on my fingers. Finally I said, "Twenty thousand, or an average of 1.7 women per day if you don't count the ones who slapped me."

"Let's make a virtue out of it," the director suggested. "We will tell TV producers that you are prepared to talk about every woman who told you to buzz off. We'll assure them that you have far more interesting stories than Wilt does, and yours are more believable."

□

At first I was reluctant. "I feel bad talking about all the women who slammed the car door on my fingers. Many of them may never have told their husbands how they rejected me. It could ruin their marriages."

The publisher turned to the publicity girl, "Suit him up and send him to Omaha, Nebraska, before Norman Mailer gets there."

Plan to Lend Art Rankles Italians

Reuters

ROME — A government plan to lend art treasures to foreign countries has infuriated Italian museum heads and art historians who say it amounts to selling the family silver.

The draft law would allow foreign museums and cultural institutes to borrow archaeological finds for up to 10 years — to exhibit, restore or just study them.

The backers of the idea said this would help combat the plundering of Italy's cultural heritage by thieves. Police report that 240,000 art treasures — from Roman coins to marble columns — have been stolen in Italy since 1969.

Museum directors, art historians and conservation lobbies called the loan proposal a crackpot idea.

More than 200 historians and restoration experts have called on Prime Minister Giulio Andreotti to ditch the proposal.

La Scala: Diamonds, Furs and Anti-Furs

By Alan Cowell
New York Times Service

MILAN — There were the king of Sweden and the president of Italy, authors and artists and critics under the chandeliers. There were glitter and diamonds, mink and paparazzi, and somewhere between them all, the music. And on the opening night at La Scala, Italy's premier opera, Sandra, Monica, and Elena came too, sprinkled pamphlets, bared their breasts and shouted: "Better nude than wearing furs!"

Thus, with all its various rituals — some old, some new and none far removed from Milan's preoccupation with money and show — did the opera season begin on Saturday in this city that sets an artistic standard for the world's opera lovers. And at $850 a seat for opening night, it takes the measure of just who is who on the city's social register.

"It's half about opera, half about just being there," said Sabino Lenoci, editor of L'Opera, a monthly magazine devoted to the art form practiced with such virtuosity Saturday night by Riccardo Muti, the conductor, and Plácido Domingo in the title role of Wagner's "Parsifal" — five hours of symbol and music interspersed with Champagne and photo calls at intermissions.

Anti-fur protesters provided late-20th-century counterpoint to Wagner's vision of death. They tossed leaflets with lurid photos of dead and caged furry animals at women in sleek and glossy furry coats just before the opera began with a first act that revolves around Parsifal's slaying of a swan.

The debate over the fur trade is relatively new in Italy. Wearing fur has none of the stigma attached to it in the United States and is de rigueur among those in this city who quickly rose to wealth.

"It was cold tonight so the women came in their furs," said a longtime opera devotee, as the temperatures tumbled below freezing. "But even if it was 90 degrees, they'd still wear fur at the opening night."

The occasion, which starts with opera and ends with a midnight supper of shrimp and risotto and more Champagne, is not altogether typical of Italy's long-running affair with opera, something deeply entwined with the nation's sense of itself as a land of song and passion.

"La Scala is the big event, not only in Italy but also in Europe," Muti said. But the opening "is a little bit different."

"It's a big event socially," he emphasized. Such is the pressure for seats that the ticket touts offer first-night seats at up to $5,000 to a people that pride themselves on ready access to an operatic heritage.

"Most Italians know some opera," Lenoci said. "Every Italian knows the famous arias. Verdi and Puccini and all the others were born in Italy and we studied them at school."

Yet there had been worries that the art form was headed for extinction among all but a few. What has happened has defied those forecasts. "There's a renaissance at the opera," Lenoci said.

Cesare Mazzonis, La Scala's artistic director, recalled: "Twenty years ago, everyone thought the opera was the sort of entertainment for old people and it was finished. But it's happened the other way. It's still a middle-aged audience, but you have young people. It was supposed that young people would disappear from the opera. Then something happened and the situation changed."

That "something" may be partly a result of opera houses seeking a younger audience. But others detect a wider change reflecting a shift in Italian society.

The Associated Press

Plácido Domingo sang Parsifal, the title role in Wagner's music drama, on opening night at La Scala.

In an interview before an opening-night performance that won high critical acclaim, Muti said Italians had moved away from a vision of opera centered on their own operatic giants and on to a broader sense of the art. Even in Parma, which regards itself as Verdi's hometown, opera lovers recently awarded their highest prize to a performance of a Mozart opera.

"That's a very interesting sign of how things change," Muti said. "The cultural level of the nation is going up very rapidly. People in Italy read more, are more interested generally in culture, and this is the result of the general cultural level going up."

But change has brought other portents that trouble purists like those who flock to La Scala, braving chills in non-fur coats, to obtain the standing-room tickets in the upper galleries, sold on the day of the performance.

This year, for instance, the tenor Luciano Pavarotti staged two open-air concerts — one in Hyde Park in London, another in the ruins of the ancient Caracalla Baths of Rome. He also performed with Domingo and José Carreras, and in the process stirred much passion in Italy, not all of it flattering.

"There's this fear," said Lenoci, that singers will be lured away by the high fees and other income generated by concerts recorded and resold on cassettes and compact disks, and that Italy's own stars will therefore stay away from their operatic home base.

But what has troubled opera lovers more, several experts said in interviews, was that the concerts might popularize the most famous arias of opera, but not opera itself.

"It is another sort of phenomenon," said Mazzonis. "It has nothing to do with opera itself. It is the phenomenon of the star."

"When the singers do this sort of thing, they earn such an amount of money that even the highest fees in the theater seem ridiculous," he said.

Some assess the danger differently.

"I absolutely disagree that events like Caracalla will have an impact on the popularity of opera in Italy," Muti said. "The danger is that having an evening where you have only the highlights of opera, the public can get lazy."

Stars singing in open-air concerts "get tremendous popularity throughout the world," he said.

"But then if they want to get back again to the dignity of a real artist, then they have to go to important theaters and again follow the normal procedures of serious and long rehearsals."

PEOPLE

Kennedy Center Honors Acuff, Peck, 5 Others

President George Bush paid tribute to the seven recipients of this year's Kennedy Center Honors, whose work, he said, exemplified America's "creative diversity." The honors are awarded for lifetime contributions in the performing arts, and the televised gala represents the center's principal fund-raising event. The oldest recipient was Roy Acuff, 88, the country songwriter and singer, who, Bush said, has "the biblical genius for speaking straight into the heart." Others were the musical comedy writers Betty Comden, 72, and Adolph Green, 76; the dancing Nicholas brothers — Fayard, 77, and Harold, 70; the actor Gregory Peck, 75, and the choral and orchestral conductor Robert Shaw, 75.

□

The North American Concert Promoters Association says that 1991 was the worst summer in their history, and they rate Whitney Houston, Huey Lewis, Diana Ross and Stevie Wiswood in the "Bottom 10" musicians. Those stars helped them lose more than $4 million last summer, the promoters say. The association, which represents more than half of the concerts produced in 1991, said the Operation Rock 'n' Roll Tour, co-starring Alice Cooper and Judas Priest, was their biggest loser. Carl Freed, executive director of the association, said that 60 percent of the acts on the road lost money. There were some successes, like Paul Simon and the Grateful Dead, but a lot of fans stayed home. Some concert tours are simply too expensive to put on in a recession, Freed said.

□

The African National Congress president, Nelson Mandela, was about to receive an honorary doctorate of letters at Texas Southern University in Houston when a group dressed in tribal regalia interrupted with a South African freedom song. Mandela smiled and lifted a fist in solidarity gesture.

□

The Hollywood Women's Press Club awarded Golden Apple award for female star of the year to Jodie Foster, while Kevin Costner and Robin Williams tied for male stars of the year. The Sour Apple award, presented by Zsa Zsa Gabor, was shared by Alec Baldwin, Kim Bassinger and Sinead O'Connor.

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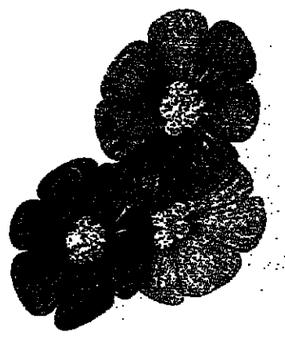

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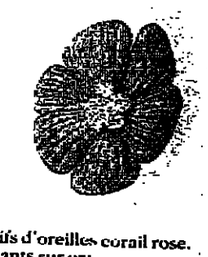

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